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directors' report

for the financial year ended August 31, 2012

The Directors present their report to the members together with the audited financial statements of Singapore Press Holdings Limited and its subsidiaries (the "Group") for the financial year ended August 31, 2012 and the balance sheet of Singapore Press Holdings Limited (the "Company") as at August 31, 2012.

DIRECTORS

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

Lee Boon Yang	
Cham Tao Soon	
Chan Heng Loon Alan	
Willie Cheng Jue Hiang	
Chong Siak Ching	
Ng Ser Miang	
Ngiam Tong Dow	
Bahren Shaari	(appointed on April 1, 2012)
Sum Soon Lim	
Tan Yen Yen	(appointed on April 1, 2012)
Lucien Wong Yuen Kuai	
Yeo Ning Hong	

* *Mr Yong Pung How stepped down as a Director with effect from December 1, 2011.*

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

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

DIRECTORS' INTERESTS IN SHARES

3. The Directors holding office as at August 31, 2012 who had interests in shares and options in the Company and its subsidiaries as recorded in the register of Directors' shareholdings were as follows:

	Direct Interests			Deemed Interests		
	Sept 1, 2011*	**Aug 31, 2012**	**Sept 21, 2012**	Sept 1, 2011*	**Aug 31, 2012**	**Sept 21, 2012**
The Company						
Management Shares						
Lee Boon Yang	4	**4**	**4**	-	**-**	**-**
Cham Tao Soon	4	**4**	**4**	-	**-**	**-**
Chan Heng Loon Alan	12	**4**	**4**	-	**-**	**-**
Willie Cheng Jue Hiang	4	**4**	**4**	-	**-**	**-**
Chong Siak Ching	4	**4**	**4**	-	**-**	**-**
Ng Ser Miang	4	**4**	**4**	-	**-**	**-**
Ngiam Tong Dow	4	**4**	**4**	-	**-**	**-**
Bahren Shaari	4	**4**	**4**	-	**-**	**-**
Sum Soon Lim	4	**4**	**4**	-	**-**	**-**
Tan Yen Yen	4	**4**	**4**	-	**-**	**-**
Lucien Wong Yuen Kuai	4	**4**	**4**	-	**-**	**-**
Yeo Ning Hong	4	**4**	**4**	-	**-**	**-**

directors' report

for the financial year ended August 31, 2012

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Direct Interests			Deemed Interests		
	Sept 1, 2011*	**Aug 31, 2012**	**Sept 21, 2012**	Sept 1, 2011*	**Aug 31, 2012**	**Sept 21, 2012**
Ordinary Shares						
Cham Tao Soon	10,000	**20,000**	**20,000**	10,183	**10,183**	**10,183**
Chan Heng Loon Alan	424,500	**582,550**	**582,550**	-	**-**	**-**
Willie Cheng Jue Hiang	208,500	**208,500**	**208,500**	12,750	**12,750**	**12,750**
Ngiam Tong Dow	-	**-**	**-**	30,000	**30,000**	**30,000**
Lucien Wong Yuen Kuai	-	**-**	**-**	20,000	**20,000**	**20,000**
Yeo Ning Hong	33,660	**33,660**	**33,660**	54,697^	**54,697^**	**54,697^**
Options for Ordinary Shares						
Chan Heng Loon Alan	1,275,000	**1,275,000**	**1,275,000**	-	**-**	**-**
Conditional Award of Performance Shares**						
Chan Heng Loon Alan						
49,166# shares to be vested in January 2012	Up to 61,850##	**-^^**	**-^^**	-	**-**	**-**
180,000# shares to be vested in January 2012	Up to 270,000##	**-^^**	**-^^**	-	**-**	**-**
58,334# shares to be vested in January 2013	Up to 78,000##	**Up to 77,000##**	**Up to 77,000##**	-	**-**	**-**
180,000# shares to be vested in January 2013	Up to 270,000##	**Up to 270,000##**	**Up to 270,000##**	-	**-**	**-**
68,334# shares to be vested in January 2014	Up to 60,000##	**Up to 97,400##**	**Up to 97,400##**	-	**-**	**-**
155,000# shares to be vested in January 2014	Up to 232,500##	**Up to 232,500##**	**Up to 232,500##**	-	**-**	**-**
51,667# shares to be vested in January 2015	Up to 36,000##	**Up to 74,400##**	**Up to 74,400##**	-	**-**	**-**
200,000# shares to be vested in January 2015	-	**Up to 300,000##**	**Up to 300,000##**	-	**-**	**-**
26,666# shares to be vested in January 2016	-	**Up to 38,400##**	**Up to 38,400##**	-	**-**	**-**

* *Or date of appointment, if later.*
^ *Held jointly by Dr Yeo Ning Hong and his spouse.*
** *Represents performance shares granted from FY 2008 to FY 2012.*
\# *The number of shares represents the shares required if awarded at 100% of the grant.*
\#\# *The shares awarded at the vesting date could range from 0% to 150% depending on the level of achievement against the pre-set performance conditions.*
^^ *During the financial year, 158,050 shares were vested and awarded to Mr Chan Heng Loon Alan.*

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

directors' report

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS IN THE COMPANY

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

5. (a) The 1999 Scheme was approved by shareholders at an Extraordinary General Meeting held on July 16, 1999 and is administered by the Remuneration Committee ("the Committee"). At another Extraordinary General Meeting held on December 5, 2006, the shareholders approved the adoption of the SPH Performance Share Plan and the 1999 Scheme was terminated with regard to the grant of further options. Options granted and outstanding prior to the termination will continue to be valid and be subject to the terms and conditions of the 1999 Scheme.

   (b) Details of options granted previously have been disclosed in the Directors' Reports for the respective years.

   (c) The aggregate number of options granted since the commencement of the 1999 Scheme on July 16, 1999 to December 5, 2006 is 103,090,950 options to subscribe for ordinary shares.

6. The unissued ordinary shares of the Company under option at the end of the current financial year pursuant to the 1999 Scheme are set out in Note 4 to the financial statements.

PERFORMANCE SHARES IN THE COMPANY

SPH Performance Share Plan ("the Plan")

7. (a) The Plan of the Company was approved by shareholders at an Extraordinary General Meeting held on December 5, 2006 and is administered by the Committee.

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

   (c) Awards initially granted under the Plan are conditional and will be principally performance-based with performance conditions to be set over a multi-year performance period. Performance conditions are intended to be based on medium- to longer-term corporate objectives and include both market and non-market conditions. Market conditions include Absolute Total Shareholder Return and Relative Total Shareholder Return against ST All-Share Index. Non-market conditions include Newspaper Business Free Cash Flow, market competitiveness, quality of returns, business and productivity growth.

   (d) The Plan contemplates the award of fully-priced 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.

   (e) Senior management are required to hold a minimum number of shares under the share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

directors' report

for the financial year ended August 31, 2012

PERFORMANCE SHARES IN THE COMPANY (CONT'D)

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

8. During the financial year, 2,243,525 performance shares were granted subject to the terms and conditions of the Plan as follows:

Category	No. of Persons	No. of Performance Shares Granted
Executive Director	1	280,000 [1]
Employee	212	1,963,525 [2]
	213	2,243,525

1 80,000 granted with non-market conditions, and 200,000 granted with both market and non-market conditions.
2 1,229,025 granted with non-market conditions, and 734,500 granted with both market and non-market conditions.

The aggregate number of performance shares granted since the commencement of the Plan on December 5, 2006 to August 31, 2012 is 13,084,670 performance shares.

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

AUDIT COMMITTEE

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

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

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

On behalf of the Directors

Lee Boon Yang
Chairman

Chan Heng Loon Alan
Director

Singapore,
October 12, 2012

statement by directors

for the financial year ended August 31, 2012

In the opinion of the Directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended August 31, 2012, as set out on pages 109 to 196, are drawn up so as to give a true and fair view of:

(i) the results of the business, changes in equity and cash flows of the Group;

(ii) the state of affairs of the Group and of the Company; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

Lee Boon Yang
Chairman

Chan Heng Loon Alan
Director

Singapore,
October 12, 2012

independent auditors' report

to the members of Singapore Press Holdings Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Singapore Press Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 109 to 196, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at August 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in total equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at August 31, 2012, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

independent auditors' report

to the members of Singapore Press Holdings Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore,
October 12, 2012

balance sheets

as at August 31, 2012

	Note	Group 2012 S$'000	Group 2011 S$'000	Company 2012 S$'000	Company 2011 S$'000
CAPITAL EMPLOYED					
Share capital	4	**502,992**	499,484	**502,992**	499,484
Treasury shares	4	**(2,190)**	(11,024)	**(2,190)**	(11,024)
Reserves	5	**342,324**	318,965	**67,780**	59,486
Retained profits		**1,399,220**	1,424,580	**617,577**	714,614
Shareholders' interests		**2,242,346**	2,232,005	**1,186,159**	1,262,560
Non-controlling interests		**82,716**	74,584	**-**	-
Total equity		**2,325,062**	2,306,589	**1,186,159**	1,262,560
EMPLOYMENT OF CAPITAL					
Non-current assets					
Property, plant and equipment	8	**362,548**	394,086	**224,238**	252,315
Investment properties	9	**2,089,033**	1,754,259	**-**	-
Investments in subsidiaries	11	**-**	-	**388,868**	388,868
Investments in associates	12	**84,366**	68,414	**36,853**	33,109
Investments in jointly-controlled entities	13	**10,318**	14,325	**-**	-
Trade and other receivables	17a	**2,595**	4,167	**543,516**	310,278
Long-term investments	14	**381,614**	360,249	**46,351**	36,797
Intangible assets	15	**133,900**	83,814	**-**	-
		3,064,374	2,679,314	**1,239,826**	1,021,367
Current assets					
Inventories	16	**27,079**	37,317	**25,681**	36,093
Trade and other receivables	17b	**184,294**	151,969	**1,294,936**	1,274,050
Short-term investments	18	**408,443**	622,555	**89,960**	113,712
Derivative financial instruments	19	**596**	5,105	**-**	373
Cash and cash equivalents	20a	**372,459**	392,514	**113,858**	270,670
		992,871	1,209,460	**1,524,435**	1,694,898
Total assets		**4,057,245**	3,888,774	**2,764,261**	2,716,265
Non-current liabilities					
Trade and other payables	21a	**32,953**	27,776	**-**	-
Deferred income tax liabilities	6a	**47,227**	49,481	**33,040**	37,626
Borrowings	7	**1,280,322**	1,011,168	**828,359**	598,797
Derivative financial instruments	19	**7,752**	6,421	**670**	-
		1,368,254	1,094,846	**862,069**	636,423
Current liabilities					
Trade and other payables	21b	**278,683**	296,670	**664,044**	657,470
Current income tax liabilities		**81,856**	89,488	**51,982**	59,431
Borrowings	7	**3,293**	100,800	**-**	100,000
Derivative financial instruments	19	**97**	381	**7**	381
		363,929	487,339	**716,033**	817,282
Total liabilities		**1,732,183**	1,582,185	**1,578,102**	1,453,705
Net assets		**2,325,062**	2,306,589	**1,186,159**	1,262,560

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

consolidated
income statement

for the financial year ended August 31, 2012

		Group	
	Note	2012 S$'000	2011 S$'000
Operating revenue	23		
Newspaper and Magazine		**1,002,762**	1,013,285
Property		**191,421**	167,884
Others		**78,730**	69,803
		1,272,913	1,250,972
Other operating income		**19,823**	18,852
		1,292,736	1,269,824
Materials, production and distribution costs		**(221,104)**	(218,868)
Staff costs	24	**(360,160)**	(348,461)
Premises costs		**(61,792)**	(54,830)
Depreciation	8 & 9	**(78,204)**	(76,785)
Other operating expenses	25	**(136,782)**	(122,031)
Finance costs	26	**(24,452)**	(39,811)
Profit before investment income and share of net loss of associates and jointly-controlled entities		**410,242**	409,038
Net income from investments	27	**32,590**	50,351
Share of net loss of associates and jointly-controlled entities		**(1,172)**	(2,707)
Profit before taxation		**441,660**	456,682
Taxation	6b	**(72,302)**	(72,931)
Profit after taxation		**369,358**	383,751
Attributable to:			
Shareholders of the Company		**365,542**	388,575
Non-controlling interests		**3,816**	(4,824)
		369,358	383,751
Earnings per share (S$)	29		
Basic		**0.23**	0.24
Diluted		**0.23**	0.24

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

consolidated statement of comprehensive income

for the financial year ended August 31, 2012

	Group	
	2012 S$'000	2011 S$'000
Profit after taxation	**369,358**	383,751
Other comprehensive income/(loss), net of tax		
Cash flow hedges [Note 5(b)]		
- net fair value changes	**(3,002)**	(6,284)
- transferred to income statement	**2,213**	12,551
Net fair value changes on available-for-sale financial assets [Note 5(c)]		
- net fair value changes	**29,598**	38,395
- transferred to income statement on disposal	**(5,665)**	(2,893)
Currency translation difference		
- arising from consolidation of financial statements of foreign subsidiaries, associates and jointly-controlled entities	**1,304**	(3,419)
	24,448	38,350
Total comprehensive income	**393,806**	422,101
Attributable to:		
Shareholders of the Company	**389,921**	427,243
Non-controlling interests	**3,885**	(5,142)
	393,806	422,101

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

consolidated statement of changes in total equity

for the financial year ended August 31, 2012

	Share Capital S$'000	Treasury Shares S$'000	Capital Reserve S$'000
2012			
Balance as at September 1, 2011	**499,484**	**(11,024)**	**2,005**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**
Share-based compensation [Note 5(a)]	**-**	**-**	**-**
Issue of shares [Notes 4 and 5(a)]	**3,508**	**-**	**-**
Treasury shares re-issued [Notes 4 and 5(a)]	**-**	**8,834**	**-**
Lapse of share options [Note 5(a)]	**-**	**-**	**-**
Dividends [Note 28]	**-**	**-**	**-**
Acquisition of additional interest in a subsidiary	**-**	**-**	**-**
Capital contribution by non-controlling interests	**-**	**-**	**-**
Balance as at August 31, 2012	**502,992**	**(2,190)**	**2,005**
2011			
Balance as at September 1, 2010	494,738	(19,921)	2,005
Total comprehensive income/(loss) for the year	-	-	-
Share-based compensation [Note 5(a)]	-	-	-
Issue of shares [Notes 4 and 5(a)]	4,746	-	-
Treasury shares re-issued [Notes 4 and 5(a)]	-	8,897	-
Lapse of share options [Note 5(a)]	-	-	-
Dividends [Note 28]	-	-	-
Disposal of interest in a subsidiary	-	-	-
Balance as at August 31, 2011	499,484	(11,024)	2,005

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

Attributable to shareholders of the Company							
Share-based Compensation Reserve S$'000	Hedging Reserve S$'000	Fair Value Reserve S$'000	Currency Translation Reserve S$'000	Retained Profits S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
25,429	**(5,645)**	**300,778**	**(3,602)**	**1,424,580**	**2,232,005**	**74,584**	**2,306,589**
-	**(789)**	**23,933**	**1,235**	**365,542**	**389,921**	**3,885**	**393,806**
6,290	**-**	**-**	**-**	**-**	**6,290**	**-**	**6,290**
(174)	**-**	**-**	**-**	**-**	**3,334**	**-**	**3,334**
(6,322)	**-**	**-**	**-**	**(2,085)**	**427**	**-**	**427**
(814)	**-**	**-**	**-**	**814**	**-**	**-**	**-**
-	**-**	**-**	**-**	**(386,367)**	**(386,367)**	**(7)**	**(386,374)**
-	**-**	**-**	**-**	**(3,264)**	**(3,264)**	**(591)**	**(3,855)**
-	**-**	**-**	**-**	**-**	**-**	**4,845**	**4,845**
24,409	**(6,434)**	**324,711**	**(2,367)**	**1,399,220**	**2,242,346**	**82,716**	**2,325,062**
26,817	(11,912)	265,276	(501)	1,469,780	2,226,282	79,744	2,306,026
-	6,267	35,502	(3,101)	388,575	427,243	(5,142)	422,101
7,748	-	-	-	-	7,748	-	7,748
(303)	-	-	-	-	4,443	-	4,443
(8,272)	-	-	-	(400)	225	-	225
(561)	-	-	-	561	-	-	-
-	-	-	-	(433,939)	(433,939)	(15)	(433,954)
-	-	-	-	3	3	(3)	-
25,429	(5,645)	300,778	(3,602)	1,424,580	2,232,005	74,584	2,306,589

consolidated statement of cash flows

for the financial year ended August 31, 2012

	Group	
	2012 S$'000	2011 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**441,660**	456,682
Adjustments for:		
Amortisation of intangible assets	**7,678**	5,712
Impairment of intangible assets	**481**	-
Impairment of goodwill	**-**	1,134
Depreciation	**78,204**	76,785
Net loss/(profit) on disposal of property, plant and equipment	**273**	(199)
Net reversal of impairment of property, plant and equipment	**(765)**	(96)
Investment property renovations and fittings written-off	**82**	-
Allowance for impairment of an associate	**45**	342
Net gain on disposal of associates	**-**	(167)
Finance costs	**24,452**	39,811
Net income from investments	**(32,590)**	(50,351)
Share of net loss of associates and jointly-controlled entities	**1,172**	2,707
Share-based compensation expense	**6,261**	7,724
Other non-cash items	**(1,047)**	323
Operating cash flow before working capital changes	**525,906**	540,407
Changes in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries and business:		
Inventories	**11,380**	(10,343)
Trade and other receivables	**15,118**	108,055
Trade and other payables	**(19,332)**	9,109
	533,072	647,228
Income tax paid	**(82,468)**	(107,134)
Dividends paid	**(386,367)**	(433,939)
Dividends paid (net) by a subsidiary to a non-controlling interest	**(7)**	(15)
	64,230	106,140
Decrease in other non-current receivables	**1,572**	690
Increase in other non-current payables	**5,177**	6,338
Currency translation difference	**359**	(1,464)
Net cash from operating activities	**71,338**	111,704

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

consolidated
statement of cash flows

for the financial year ended August 31, 2012

	Group	
	2012 S$'000	2011 S$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(27,504)**	(27,448)
Purchase of licence	**(200)**	-
Proceeds from disposal of property, plant and equipment	**706**	524
Additions to investment properties	**(350,267)**	(40,083)
Acquisition of a subsidiary (net of cash acquired) [Note 20(b)]	**(61,245)**	-
Acquisition of additional interest in a subsidiary	**(3,855)**	-
Acquisition of business by a subsidiary (net of cash acquired) [Note 20(c)]	**-**	(43,065)
Net cash outflow from disposal of a subsidiary [Note 20(d)]	**-**	(633)
Acquisition of an associate [Note 12]	**-**	(500)
Consideration paid on interest in an associate [Note 12]	**(800)**	-
Additional consideration paid on interest in an associate [Note 12]	**(8,750)**	(6,250)
Dividends received from associates [Note 12]	**6,519**	2,804
Proceeds from disposal of associates	**-**	240
Additional consideration paid on interests in jointly-controlled entities [Note 13]	**(11,270)**	(14,500)
Increase in amounts owing by associates/jointly-controlled entities	**(642)**	(812)
(Decrease)/Increase in amounts owing to jointly-controlled entities	**(3,086)**	7,936
Purchase of long-term investments	**(19,833)**	(7,842)
Proceeds from disposal/redemption of long-term investments	**22,075**	233
Purchase of short-term investments	**(243,970)**	(512,572)
Proceeds from disposal of short-term investments	**427,482**	771,164
Dividends received	**24,934**	28,466
Interest received	**7,299**	10,413
Other investment income	**(2,437)**	8,058
Net cash (used in)/from investing activities	**(244,844)**	176,133
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans (net of transaction costs)	**234,265**	299,634
Repayment of bank loans	**(100,000)**	(620,800)
Repayment of loan from a non-controlling interest	**(988)**	(412)
Interest paid	**(24,905)**	(39,183)
Proceeds from issuance of shares by the Company	**3,334**	4,443
Proceeds from issuance of shares to non-controlling interests	**4,845**	-
Loan from a non-controlling interest	**36,900**	-
Net cash from/(used in) financing activities	**153,451**	(356,318)
Net decrease in cash and cash equivalents	**(20,055)**	(68,481)
Cash and cash equivalents at beginning of financial year	**392,514**	460,995
Cash and cash equivalents at end of financial year [Note 20(a)]	**372,459**	392,514

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

notes to the financial statements

August 31, 2012

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 and 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.

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.

- Acquisitions

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Group accounting (cont'd)

(i) Subsidiaries (cont'd)

- Disposals

  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 interest 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 Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with shareholders of the company. 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 shareholders 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.

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 interest 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.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

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.

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 inflows 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	30-50 years
Plant and equipment	3-20 years
Furniture and fittings	3-10 years
Motor vehicles	3-10 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.

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 borrowing costs [Note 2(h)] 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.

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.

(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. This includes those costs on borrowings acquired specially for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development [Note 2(f)].

(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.

- 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 bank balances and fixed deposits and trade and other receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(i) Classification (cont'd)

- 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 the investment matures or 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial assets (cont'd)

(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

  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.

- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(l) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Derivative financial instruments and hedging activities (cont'd)

(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.

(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 20 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 at each balance sheet date. The effects of any revision are recognised in income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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, in which case they are presented as non-current liabilities.

(p) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Employee benefits (cont'd)

(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.

- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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. Contingent rents are recognised as an expense in the income statement when incurred.

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. Contingent rents are recognised as income in the income statement when earned.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

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.

(y) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

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.

4. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2012		2011	
	Number of Shares '000	Amount S$'000	Number of Shares '000	Amount S$'000
Issued and fully paid, with no par value				
Management shares	**16,317**	**6,914**	16,308	6,879
Ordinary shares	**1,596,221**	**496,078**	1,595,337	492,605
	1,612,538	**502,992**	1,611,645	499,484
Treasury shares	**(538)**	**(2,190)**	(2,704)	(11,024)
	1,612,000	**500,802**	1,608,941	488,460
Movements during the financial year:				
Beginning of financial year	**1,608,941**	**488,460**	1,605,518	474,817
Issue of ordinary shares fully paid under the Singapore Press Holdings Group (1999) Share Option Scheme	**884**	**3,473**	1,230	4,694
Issue of management shares fully paid in accordance with the Newspaper and Printing Presses Act	**9**	**35**	12	52
	1,609,834	**491,968**	1,606,760	479,563
Treasury shares re-issued for the fulfilment of share awards vested under SPH Performance Share Plan	**2,166**	**8,834**	2,181	8,897
End of financial year	**1,612,000**	**500,802**	1,608,941	488,460

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 participate 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 2,165,278 (2011: 2,180,609) 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$8.8 million (2011: S$8.9 million).

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")

2012

Grant Date	Expiry Date	Exercise Price (S$)	Balance 01.09.11	Options Exercised	Options Lapsed	Balance 31.08.12
06.11.01	06.11.11	3.03	260,400	(90,550)	(169,850)	-
28.10.02	28.10.12	3.91	2,803,425	(432,050)	(103,050)	2,268,325
16.12.03	16.12.13	3.69	2,693,925	(361,625)	(17,000)	2,315,300
01.02.04	01.02.14	3.83	35,000	-	(35,000)	-
21.12.04	21.12.14	4.54	11,575,450	-	(765,825)	10,809,625
16.12.05	16.12.15	4.30	13,198,950	-	(890,825)	12,308,125
			30,567,150	(884,225)	(1,981,550)	27,701,375

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

All the outstanding options as at the balance sheet date were exercisable. Options exercised in 2012 resulted in 884,225 shares (2011: 1,230,425) being issued at an average price of S$3.73 (2011: S$3.57) each.

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

(c) Performance shares

During the financial year, 2,243,525 (2011: 2,259,410) 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:

2012

Grant Date	Outstanding as at 01.09.11 ('000)	Adjusted* ('000)	Granted ('000)	Vested ('000)	Lapsed ('000)	Outstanding as at 31.08.12 ('000)
11.01.08	**551**	**-**	**-**	**(547)**	**(4)**	**-**
12.01.09	**1,986**	**(382)**	**-**	**(1,018)**	**(60)**	**526**
12.01.10	**2,195**	**506**	**-**	**(601)**	**(191)**	**1,909**
12.01.11	**2,258**	**-**	**-**	**-**	**(258)**	**2,000**
12.01.12	**-**	**-**	**2,244**	**-**	**(209)**	**2,035**

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

* *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.

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:

2012

Grant Date	Vesting Date	Number of Shares	Fair Value per Share	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
		('000)	S$	SPH (%)	FTSE ST All Share Index (%)	%	%		S$
12.01.12 [a]	**11.01.14**	**436**	**3.27**	**17.72**	**NA**	**6.11**	**0.31**	**NA**	**3.69**
12.01.12 [a]	**11.01.15**	**436**	**3.08**	**17.72**	**NA**	**6.11**	**0.46**	**NA**	**3.69**
12.01.12 [c]	**11.01.15**	**935**	**3.18**	**17.72**	**22.71**	**6.11**	**0.46**	**0.54**	**3.69**
12.01.12 [a]	**11.01.16**	**437**	**2.92**	**17.72**	**NA**	**6.11**	**0.56**	**NA**	**3.69**

2011

Grant Date	Vesting Date	Number of Shares	Fair Value per Share	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
		('000)	S$	SPH (%)	FTSE ST All Share Index (%)	%	%		S$
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

* *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.*
(c) *Granted with both market and non-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$6.3 million (2011: S$7.7 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.

5. RESERVES

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Non-distributable				
Composition				
Capital reserve	**2,005**	2,005	**-**	-
Share-based compensation reserve [Note 5(a)]	**24,409**	25,429	**24,409**	25,429
Hedging reserve [Note 5(b)]	**(6,434)**	(5,645)	**(556)**	(316)
Fair value reserve [Note 5(c)]	**324,711**	300,778	**43,927**	34,373
Currency translation reserve	**(2,367)**	(3,602)	**-**	-
	342,324	318,965	**67,780**	59,486

Movements

(a) Share-based compensation reserve

	Group and Company	
	2012 S$'000	2011 S$'000
Beginning of financial year	**25,429**	26,817
Share-based compensation expense [Note 24]	**6,261**	7,724
Share-based compensation expense charged to a jointly-controlled entity	**29**	24
Exercise of share options	**(174)**	(303)
Lapse of share options	**(814)**	(561)
Award of performance shares	**(6,322)**	(8,272)
End of financial year	**24,409**	25,429

5. RESERVES (CONT'D)

Movements (cont'd)

(b) Hedging reserve

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Beginning of financial year	**(5,645)**	(11,912)	**(316)**	(1,952)
Fair value losses	**(3,617)**	(7,571)	**(786)**	(257)
Deferred tax on fair value losses [Note 6(a)]	**615**	1,287	**134**	44
	(3,002)	(6,284)	**(652)**	(213)
Transferred to finance costs [Note 26]	**2,667**	15,122	**497**	2,228
Deferred tax on transfer [Note 6(a)]	**(454)**	(2,571)	**(85)**	(379)
End of financial year	**(6,434)**	(5,645)	**(556)**	(316)

(c) Fair value reserve

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Beginning of financial year	**300,778**	265,276	**34,373**	29,216
Financial assets, available-for-sale				
- Fair value gains	**30,825**	36,746	**9,554**	5,157
- Deferred tax on fair value changes [Note 6(a)]	**(1,227)**	1,649	**-**	-
	29,598	38,395	**9,554**	5,157
Transferred to income statement on disposal [Note 27]	**(6,253)**	(3,461)	**-**	-
Deferred tax on transfer [Note 6(a)]	**588**	568	**-**	-
End of financial year	**324,711**	300,778	**43,927**	34,373

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	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Deferred income tax liabilities:				
- to be settled within one year	**4,894**	3,030	**2,577**	2,950
- to be settled after one year	**42,333**	46,451	**30,463**	34,676
	47,227	49,481	**33,040**	37,626

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

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Hedging reserve [Note 5(b)]	**(161)**	1,284	**(49)**	335
Fair value reserve [Note 5(c)]	**639**	(2,217)	**-**	-
	478	(933)	**(49)**	335

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$4.0 million (2011: S$4.4 million) and S$0.1 million (2011: 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.

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:

2012

Group

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S$'000	Others S$'000	Total S$'000
Beginning of financial year	52,805	3,338	56,143
(Credited)/Charged to income statement	(2,381)	409	(1,972)
Acquisition of a subsidiary [Note 20(b)]	20	-	20
End of financial year	50,444	3,747	54,191

(ii) Deferred income tax assets

	Provisions S$'000	Fair Value Changes S$'000	Total S$'000
Beginning of financial year	(3,626)	(3,036)	(6,662)
Credited to income statement	(786)	-	(786)
Debited to equity [Note 5(b) and 5(c)]	-	478	478
Currency translation differences	6	-	6
End of financial year	(4,406)	(2,558)	(6,964)

6. INCOME TAXES (CONT'D)

(a) Deferred income taxes (cont'd)

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(c)]	72	-	-	72
Disposal of a subsidiary [Note 20(d)]	(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)

6. INCOME TAXES (CONT'D)

(a) Deferred income taxes (cont'd)

2012

Company

(i) Deferred income tax liabilities

	Accelerated Tax Depreciation S$'000
Beginning of financial year	40,615
Credited to income statement	(3,976)
End of financial year	36,639

(ii) Deferred income tax assets

	Provisions S$'000	Fair Value Changes S$'000	Total S$'000
Beginning of financial year	(2,924)	(65)	(2,989)
Credited to income statement	(561)	-	(561)
Credited to equity [Note 5(b)]	-	(49)	(49)
End of financial year	(3,485)	(114)	(3,599)

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)

6. INCOME TAXES (CONT'D)

(b) Income tax expense

	Group	
	2012 **S$'000**	2011 S$'000
Tax expense attributable to profit is made up of:		
Current year		
- Current tax	**77,519**	80,947
- Deferred tax	**(3,096)**	(3,519)
	74,423	77,428
Prior years		
- Current tax	**(2,459)**	(4,394)
- Deferred tax	**338**	(103)
	72,302	72,931

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	
	2012 **S$'000**	2011 S$'000
Profit before taxation	**441,660**	456,682
Tax calculated at corporate tax rate of 17%	**75,082**	77,636
Singapore statutory stepped income exemption	**(403)**	(460)
Income taxed at concessionary rate	**(337)**	(485)
Income not subject to tax	**(3,489)**	(5,020)
Expenses not deductible for tax purposes	**4,112**	6,088
Deferred tax benefits not recognised	**819**	399
Tax relief for contributions made to Institutes of Public Character	**(142)**	(243)
Effect of different tax rates in other countries	**769**	890
Tax incentives	**(1,751)**	(1,236)
Others	**(237)**	(141)
Tax charge	**74,423**	77,428

7. BORROWINGS

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Secured				
Term loans [Note 7(a) and 7(b)]	**301,582**	298,834	**-**	-
Unsecured				
Fixed rate notes [Note 7(c)]	**599,141**	598,797	**599,141**	598,797
Term loan [Note 7(d) and 7(e)]	**229,218**	100,000	**229,218**	100,000
Loans from non-controlling interests [Notes 7(f), 7(g) and 7(h)]	**149,580**	113,537	**-**	-
Other banking facilities	**4,094**	800	**-**	-
	1,283,615	1,111,968	**828,359**	698,797
Borrowings are repayable:				
Within 1 year	**3,293**	100,800	**-**	100,000
Between 1- 5 years	**1,280,322**	1,011,168	**828,359**	598,797
	1,283,615	1,111,968	**828,359**	698,797

(a) As at August 31, 2012, 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 (2011: S$300 million) for a tenure of five years from July 11, 2011. As at the balance sheet date, the amount drawn down was S$300 million (2011: S$300 million). The amount of S$299.1 million (2011: 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 insurance on the investment property.

After taking into account interest rate swap arrangements totalling S$150 million (2011: S$150 million), the effective interest rate as at the balance sheet date on the outstanding term loan of S$300 million was 1.59% per annum (2011: S$300 million, 1.50% per annum).

(b) During the financial year, The Seletar Mall Pte Ltd ("Seletar Mall"), a subsidiary of the Group, established a term loan facility available for drawdown up to amount of S$138 million for a tenure of four years from April 16, 2012. As at August 31, 2012, the amount drawn down was S$2.5 million.

The term loan facility is secured by way of a first legal mortgage on Seletar Mall's investment property [Note 9], an assignment of insurance in relation to the investment property and a deed of subordination in respect of the loans from the Company [Note 17(a)(ii)] and the shareholders of Seletar Mall.

The effective interest rate as at the balance sheet date on the outstanding term loan was 1.43% per annum.

7. BORROWINGS (CONT'D)

(c) On February 22, 2010, the Company established a S$1 billion Multicurrency Medium Term Note Programme. Notes outstanding as at August 31, 2012 comprise S$600 million (2011: S$600 million) 5-year unsecured fixed rate notes due on March 2, 2015. The amount of S$599.1 million (2011: S$598.8 million) as at the balance sheet date represented the notes stated at amortised cost. Interest at 2.81% per annum (2011: 2.81% per annum) is payable semi-annually in arrears. The fixed rate notes are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

(d) During the financial year, the Company established an unsecured term loan facility available for drawdown up to the amount of S$230 million for a tenure of four years from April 17, 2012. As at the balance sheet date, the amount drawn down was S$230 million. The amount of S$229.2 million represented the loan stated at amortised cost.

After taking into account interest rate swap arrangements totalling S$120 million, the effective interest rate as at the balance sheet date on the outstanding term loan of S$230 million was 1.32% per annum.

(e) The Company had an unsecured term loan facility of S$150 million (2011: S$150 million) for a tenure of three years from October 22, 2008 which was fully repaid during the financial year. The loan repayment amounted to S$100 million (2011: S$50 million) during the year.

(f) As at August 31, 2012, SG Domain Pte Ltd, a subsidiary of the Group, had outstanding unsecured loans of S$120.4 million (2011: S$120.4 million) from its non-controlling interests, NTUC FairPrice Co-operative Limited and NTUC Income Insurance Co-operative Limited. The loans are interest-free except for an amount of S$61.2 million (2011: 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$6.8 million (2011: S$9.3 million).

(g) As at August 31, 2012, Seletar Mall had an outstanding unsecured loan of S$36.9 million from its non-controlling interest, United Engineers Developments Pte Ltd. The loan is interest-free and has a repayment term of four years from April 17, 2012.

On initial recognition, the loan was recognised at its fair value of S$34.9 million, which was determined from the cash flow analyses, discounted at the market borrowing rates on the inception date. The difference between the fair value and principal loan amount was recognised in the income statement. The unamortised fair value gain as at balance sheet date was S$2.0 million.

(h) As at August 31, 2012, Blu Inc (Holdings) Malaysia Sdn Bhd, a subsidiary of the Group, had an outstanding unsecured loan of S$1.1 million (2011: S$2.4 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.

7. BORROWINGS (CONT'D)

(i) 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, 2012, the fixed interest rates were 0.66% (2011: 2.50%) and 1.79% (2011: 1.79%) 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, 2012 are:

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Notional due:				
Within 1 year [Note 19]	**-**	100,000	**-**	100,000
Between 1 - 5 years [Note 19]	**270,000**	150,000	**120,000**	-
Fair values* [Note 19]	**(7,752)**	(6,802)	**(670)**	(381)

* *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.*

(j) As at August 31, 2012, the fair value of the loans from non-controlling interests was S$152.3 million (2011: S$115.7 million) and the fair value of the fixed rate notes was S$621.0 million (2011: S$631.9 million). The fair values were determined from the cash flow analyses, discounted at market borrowing rates of 1.81% to 2.61% (2011: 2.74%) and 1.38% (2011: 1.25%) 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.

8. PROPERTY, PLANT AND EQUIPMENT

(a) 2012

	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	229,238	781,678	18,508	1,488	1,030,912
Currency translation differences	54	87	(4)	(1)	136
Acquisition of a subsidiary [Note 20(b)]	-	350	326	56	732
Additions	413	3,729	986	882	6,010
Transferred in from capital work-in-progress	1,426	14,758	168	-	16,352
Disposals/Write-offs	(7)	(43,935)	(672)	(650)	(45,264)
End of financial year	231,124	756,667	19,312	1,775	1,008,878
Accumulated depreciation and impairment losses					
Beginning of financial year	114,536	511,682	14,275	965	641,458
Currency translation differences	(1)	78	(4)	(1)	72
Depreciation charge for the year	6,608	51,186	1,541	289	59,624
Disposals/Write-offs	(7)	(43,046)	(623)	(609)	(44,285)
(Reversal of impairment charge)/ Impairment charge for the year	(849)	84	-	-	(765)
End of financial year	120,287	519,984	15,189	644	656,104
Net book value					
End of financial year	110,837	236,683	4,123	1,131	352,774
Capital work-in-progress	5,356	4,390	28	-	9,774
Total	116,193	241,073	4,151	1,131	362,548
Capital work-in-progress					
Beginning of financial year	1,426	3,204	2	-	4,632
Additions	5,356	15,944	194	-	21,494
Transferred out to property, plant and equipment	(1,426)	(14,758)	(168)	-	(16,352)
End of financial year	5,356	4,390	28	-	9,774

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

(b) 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(c)]	-	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(d)]	-	(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(d)]	-	(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

During the financial year, the Group has reassessed the recoverable amount of a property and accordingly recognised a reversal of an impairment of S$0.8 million (2011: S$1.6 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$0.1 million and this amount was included within "Other operating expenses" in the income statement. In the previous year, the impairment charge of S$1.5 million arose from technology obsolescence.

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

(c) 2012

	Company			
	Plant and Equipment S$'000	Furniture and Fittings S$'000	Motor Vehicles S$'000	Total S$'000
Cost				
Beginning of financial year	668,339	13,105	1,377	682,821
Additions	532	56	841	1,429
Transferred in from capital work-in-progress	14,438	103	-	14,541
Disposals/Write-offs	(33,117)	(309)	(598)	(34,024)
End of financial year	650,192	12,955	1,620	664,767
Accumulated depreciation and impairment losses				
Beginning of financial year	421,341	11,107	851	433,299
Depreciation charge for the year	44,288	754	272	45,314
Disposals/Write-offs	(33,010)	(309)	(598)	(33,917)
End of financial year	432,619	11,552	525	444,696
Net book value				
End of financial year	217,573	1,403	1,095	220,071
Capital work-in-progress	4,167	-	-	4,167
Total	221,740	1,403	1,095	224,238
Capital work-in-progress				
Beginning of financial year	2,791	2	-	2,793
Additions	15,814	101	-	15,915
Transferred out to property, plant and equipment	(14,438)	(103)	-	(14,541)
End of financial year	4,167	-	-	4,167

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

(d) 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

9. INVESTMENT PROPERTIES

	Group	
	2012 **S$'000**	2011 S$'000
Investment properties		
Cost		
Beginning of financial year	**1,851,810**	1,252,635
Additions	**12,574**	16,971
Transferred from investment property under development	**-**	582,204
Write-off of renovations and fittings	**(197)**	-
End of financial year	**1,864,187**	1,851,810
Accumulated depreciation and impairment losses		
Beginning of financial year	**97,551**	81,658
Depreciation charge for the year	**18,580**	15,893
Write-off of renovations and fittings	**(115)**	-
End of financial year	**116,016**	97,551
Net book value at end of financial year	**1,748,171**	1,754,259
Investment property under development		
Beginning of financial year	**-**	559,092
Additions	**340,862**	23,112
Transferred to investment properties	**-**	(582,204)
Net book value at end of financial year	**340,862**	-
Total net book value	**2,089,033**	1,754,259
Fair value	**3,472,286**	3,020,083

During the financial year, the Group acquired a commercial site at the junction of Sengkang West Avenue and Fernvale Road for the development of a retail mall, The Seletar Mall. The development is expected to be completed at the end of 2014.

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. Fair value of the investment property, The Seletar Mall, was determined based on the residual land value method.

The Paragon on Orchard Road, with a carrying amount of S$1,164.3 million (2011: S$1,164.8 million), is mortgaged to a bank as security for the loan facility of S$300 million (2011: S$300 million) granted to Orchard 290 [Note 7(a)].

The Seletar Mall, with a carrying amount of S$340.9 million, is mortgaged as security for the loan facilities granted to Seletar Mall respectively by a bank (S$138 million) (first legal mortgage) [Note 7(b)] and the Company (S$230 million) (second legal mortgage) [Note 17(a)(ii)].

9. INVESTMENT PROPERTIES (CONT'D)

The following amounts are recognised in the income statement:

	Group	
	2012 S$'000	2011 S$'000
Rental income	**189,329**	166,071
Direct operating expenses arising from investment properties that generated rental income	**(69,217)**	(58,705)

10. DEVELOPMENT PROPERTIES

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

The certificate of statutory completion was issued by the Building and Construction Authority in the previous financial year.

11. INVESTMENTS IN SUBSIDIARIES

Unquoted equities

	Company	
	2012 S$'000	2011 S$'000
Unquoted equities at cost	**389,368**	389,368
Allowance for impairment*	**(500)**	(500)
	388,868	388,868

* *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 197 and 198 of the annual report.

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

12. INVESTMENTS IN ASSOCIATES

Unquoted equities

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Beginning of financial year	**68,414**	56,103	**33,109**	29,326
Currency translation differences	**(20)**	(37)	**-**	-
Consideration paid on interest in an associate	**800**	-	**-**	-
Additional consideration paid on interest in an associate	**8,750**	6,250	**-**	-
Acquisition of an associate	**-**	500	**-**	-
Transferred from investment in a subsidiary [Note 20(d)]	**-**	500	**-**	-
Disposal of associates	**-**	(73)	**-**	-
Share of net profit of associates	**12,986**	8,317	**-**	-
Dividends received from associates	**(6,519)**	(2,804)	**-**	-
(Allowance)/Write-back of allowance for impairment of an associate	**(45)**	(342)	**3,744**	3,783
End of financial year	**84,366**	68,414	**36,853**	33,109

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

	Group	
	2012 S$'000	2011 S$'000
Assets	**1,031,080**	804,933
Liabilities	**773,665**	617,072
Revenues	**386,491**	351,386
Net profit	**29,274**	31,488

A list of operating associates of the Group can be found on page 199 of the annual report.

13. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

Unquoted equities

	Group	
	2012 S$'000	2011 S$'000
Beginning of financial year	**14,325**	11,002
Additional consideration paid on interests in jointly-controlled entities	**11,270**	14,500
Share of net loss	**(14,158)**	(11,024)
Others	**(1,119)**	(153)
End of financial year	**10,318**	14,325

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

13. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES (CONT'D)

Unquoted equities (cont'd)

The following amounts represent the Group's effective share of 33.33% to 50% (2011: 33.33% to 50%) of the assets and liabilities and revenues and expenses of the jointly-controlled entities as at August 31, 2012 should proportionate consolidation be adopted.

	Group	
	2012 S$'000	2011 S$'000
Assets		
- Current assets	**14,208**	17,289
- Non-current assets	**1,901**	2,487
	16,109	19,776
Liabilities		
- Current liabilities	**7,778**	5,669
- Non-current liabilities	**-**	1,685
	7,778	7,354
Net assets	**8,331**	12,422
Revenues	**3,360**	1,964
Expenses	**(18,011)**	(12,988)
Net loss	**(14,651)**	(11,024)

A list of operating jointly-controlled entities of the Group can be found on page 199 of the annual report.

14. LONG-TERM INVESTMENTS

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

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Quoted securities				
- Equities	**364,951**	346,685	**46,351**	36,797
Unquoted securities				
- Equities	**3,765**	3,462	**-**	-
- Investment funds	**12,898**	10,102	**-**	-
	381,614	360,249	**46,351**	36,797

The quoted equities are listed in Singapore.

15. INTANGIBLE ASSETS

	Group	
	2012 S$'000	2011 S$'000
Arising from business combinations		
- Goodwill [Note 15(a)]	55,863	39,436
- Technology, trademark, licences, mastheads and others [Note 15(b)]	77,837	43,596
Acquired separately		
- Technology and licences [Note 15(c)]	200	782
	133,900	83,814

(a) Arising from business combinations
- Goodwill

	Group	
	2012 S$'000	2011 S$'000
Cost		
Beginning of financial year	42,211	35,665
Acquisition of a subsidiary [Note 20(b)]	15,650	-
Acquisition of business by a subsidiary [Note 20(c)]	-	8,195
Currency translation differences	777	(1,649)
End of financial year	58,638	42,211
Accumulated impairment		
Beginning of financial year	2,775	1,641
Impairment charge [Note 25]	-	1,134
End of financial year	2,775	2,775
Net book value	55,863	39,436

15. INTANGIBLE ASSETS (CONT'D)

(a) Arising from business combinations (cont'd)

- Goodwill (cont'd)

Impairment test for goodwill

The carrying value of the Group's goodwill arising from acquisitions was assessed for impairment during the financial year. The goodwill was allocated to the Group's cash-generating units within the operating segments.

	Group	
	2012 S$'000	2011 S$'000
Newspaper and Magazine	**42,035**	25,608
Others	**13,828**	13,828
	55,863	39,436

The recoverable value was determined based on either value-in-use or fair value less cost to sell. The value-in-use calculation is a discounted cash flow model for a five-year period based on the financial budgets approved by management. The discount rates applied range from 8% to 15% and the terminal value growth rates assumed range from 0% to 5%. The fair value was computed by applying appropriate earnings multiples to the latest available financial forecasts. The earnings multiples were derived from a list of companies identified as market comparables.

As at August 31, 2012, no impairment of goodwill was recognised. In the previous year, the Group recognised an impairment charge of S$1.1 million within "Other operating expenses" in the income statement.

15. INTANGIBLE ASSETS (CONT'D)

(b) **Arising from business combinations (cont'd)**

- **Technology, trademark, licences, mastheads and others**

	Group		
	Technology S$'000	Trademark, licences, mastheads and others S$'000	Total S$'000
2012			
Cost			
Beginning of financial year	6,479	48,775	55,254
Acquisition of a subsidiary [Note 20(b)]	-	41,300	41,300
Currency translation differences	31	378	409
End of financial year	6,510	90,453	96,963
Accumulated amortisation			
Beginning of financial year	1,824	9,834	11,658
Amortisation charge [Note 25]	650	6,727	7,377
Currency translation differences	(1)	92	91
End of financial year	2,473	16,653	19,126
Net book value	4,037	73,800	77,837
2011			
Cost			
Beginning of financial year	6,522	14,409	20,931
Acquisition of business by a subsidiary [Note 20(c)]	-	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

15. INTANGIBLE ASSETS (CONT'D)

(c) Acquired separately

- Technology and licences

	Group	
	2012 S$'000	2011 S$'000
Cost		
Beginning of financial year	**1,804**	1,804
Additions	**200**	-
End of financial year	**2,004**	1,804
Accumulated amortisation		
Beginning of financial year	**1,022**	661
Amortisation charge [Note 25]	**301**	361
Impairment charge [Note 25]	**481**	-
End of financial year	**1,804**	1,022
Net book value	**200**	782

16. INVENTORIES

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Raw materials and consumable stores	**28,512**	38,091	**27,018**	36,845
Allowance for write-down of inventories	**(1,433)**	(774)	**(1,337)**	(752)
	27,079	37,317	**25,681**	36,093

The cost of inventories recognised as an expense and included in materials, production and distribution costs in the income statement amounted to S$118.8 million (2011: S$119.8 million).

During the financial year, the Group made an allowance for stock obsolescence amounting to S$655,000 (2011: S$237,000). The Group also wrote off inventories totalling S$22,000 (2011: Nil).

17. TRADE AND OTHER RECEIVABLES

(a) Non-current

	Group		Company	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Loans to subsidiaries [Note 17(a)(i), 17(a)(ii) and 17(a)(iii)]	-	-	541,764	307,826
Staff loans [Note 17(a)(iii)]	2,005	2,642	1,644	2,286
Sundry debtors [Note 17(a)(iii)]	525	1,460	108	166
Others [Note 17(a)(iii)]	65	65	-	-
	2,595	4,167	543,516	310,278

(i) The loans to a subsidiary of S$325.6 million (2011: S$325.6 million) are non-trade, unsecured and interest-free except for S$236.8 million (2011: 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$13.1 million (2011: S$17.8 million).

As at August 31, 2012, the fair values of the loans were S$322.0 million (2011: S$319.0 million), determined from the cash flow analyses, discounted at the market borrowing rate of 2.61% (2011: 2.74%) per annum, which management expected to be available to the Group at the balance sheet date.

(ii) The loan to another subsidiary of S$230.0 million is non-trade, and secured, inter alia, by way of a second legal mortgage on the subsidiary's investment property [Note 9]. The effective interest rate as at the balance sheet date on the outstanding term loan was 2.10% per annum.

The repayment of the loan is subordinated to the subsidiary's term loan with a financial institution [Note 7(b)], and upon discharge thereof, repayment is on the date falling six months from receipt of the Company's demand. The amount of S$229.3 million represented the loan stated at amortised cost.

(iii) The fair value of the other receivables approximates their carrying amount.

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Current

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Trade receivables				
- Non-related parties	**137,242**	144,683	**101,816**	110,828
- Less: Allowance for impairment of receivables - non-related parties	**(10,417)**	(10,342)	**(7,439)**	(8,318)
	126,825	134,341	**94,377**	102,510
Development properties				
- Due from customers [Note 10]	**-**	58	**-**	-
Amounts owing by				
- Subsidiaries [Note 17(b)(i)]	**-**	-	**718,891**	828,953
- Associates [Note 17(b)(ii)]	**1,584**	918	**-**	-
- Jointly-controlled entities [Note 17(b)(iii)]	**79**	74	**67**	61
	1,663	992	**718,958**	829,014
Loans to subsidiaries [Note 17(b)(iv)]	**-**	-	**474,409**	337,299
Accrued interest	**856**	2,230	**27**	144
Sundry debtors	**47,289**	9,115	**1,670**	1,325
Prepayments	**6,660**	3,929	**4,631**	2,571
Staff loans	**1,001**	1,304	**864**	1,187
	184,294	151,969	**1,294,936**	1,274,050

(i) The amounts owing by subsidiaries, net of allowance for impairment of S$1.9 million (2011: S$0.5 million), are non-trade, unsecured, interest-free and repayable on demand.

(ii) The amounts owing by associates are non-trade, unsecured, interest-free and repayable on demand.

(iii) The amounts owing by jointly-controlled entities are non-trade, unsecured, interest-free and repayable on demand.

(iv) The loans to subsidiaries, net of allowance for impairment of S$36.8 million (2011: S$23.8 million), are unsecured and repayable on demand. The loans are interest-free except for an amount of S$200.0 million (2011: S$200.0 million) which bears a fixed interest rate of 2.85% (2011: 2.85%) per annum.

18. SHORT-TERM INVESTMENTS

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Internally-managed				
Available-for-sale financial assets [Note 18(a)]	**374,271**	573,544	**89,960**	113,712
Financial assets at fair value through profit or loss [Note 18(b)]	**34,172**	49,011	**-**	-
	408,443	622,555	**89,960**	113,712

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

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Quoted securities*:				
- Equities	**1,725**	64,331	**-**	-
- Bonds	**219,270**	204,204	**89,960**	-
- Investment funds	**120,293**	259,007	**-**	113,712
	341,288	527,542	**89,960**	113,712
Unquoted securities:				
- Equities	**486**	340	**-**	-
- Investment funds	**32,497**	45,662	**-**	-
	32,983	46,002	**-**	-
	374,271	573,544	**89,960**	113,712

During the financial year, no impairment loss was recognised for available-for-sale financial assets. In the previous financial year, the Group recognised an impairment loss within "Net income from investments" of S$4.7 million against an unquoted investment fund as the fair value had been below cost for a prolonged period.

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

	Group	
	2012 S$'000	2011 S$'000
Quoted securities*:		
Designated at fair value on initial recognition		
- Bonds and notes	**10,035**	24,473
- Preference shares	**24,137**	24,538
	34,172	49,011

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

Analysed as:

Group

	Contract Notional Amount S$'000	Fair Value	
		Assets S$'000	Liabilities S$'000
2012			
Non-current			
Cash flow hedge			
- Interest rate swaps [Note 7(i)]	**270,000**	**-**	**7,752**
Current			
Derivatives that do not qualify as hedges			
- Currency forwards	**86,941**	**596**	**97**
2011			
Non-current			
Cash flow hedge			
- Interest rate swap [Note 7(i)]	150,000	-	6,421
Current			
Cash flow hedge			
- Interest rate swap [Note 7(i)]	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

19. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Company

	Contract Notional Amount S$'000	Fair Value Assets S$'000	Fair Value Liabilities S$'000
2012			
Non-current			
Cash flow hedge			
- Interest rate swap [Note 7(i)]	**120,000**	**-**	**670**
Current			
Derivatives that do not qualify as hedges			
- Currency forwards	**478**	**-**	**7**
2011			
Current			
Cash flow hedge			
- Interest rate swap [Note 7(i)]	100,000	-	381
Derivatives that do not qualify as hedges			
- Currency forwards	47,297	373	-
		373	381

20. CASH AND CASH EQUIVALENTS

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

	Group 2012 S$'000	Group 2011 S$'000	Company 2012 S$'000	Company 2011 S$'000
Cash held as fixed bank deposits	**309,359**	344,117	**102,085**	260,191
Cash and bank balances	**63,100**	48,397	**11,773**	10,479
	372,459	392,514	**113,858**	270,670

Included in cash and cash equivalents are the following:

	Group 2012 S$'000	Group 2011 S$'000
Amount held as fixed bank deposits under Housing Developers (Project Account) Rules	**-**	7,500
Amount held in project bank account under Housing Developers (Project Account) Rules	**-**	81
Amount held on behalf of management corporation	**-**	633

20. CASH AND CASH EQUIVALENTS (CONT'D)

(b) Acquisition of a subsidiary

	Group
	At fair values 2012 S$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 8(a)]	732
Intangible assets (excluding goodwill) [Note 15(b)]	41,300
Current assets (including cash)	8,233
Deferred income tax liabilities [Note 6(a)(i)]	(20)
Current liabilities	(4,145)
Identifiable net assets acquired	46,100
Goodwill on acquisition [Note 15(a)]	15,650
Total purchase consideration [Note 20(b)(i)]	61,750
Less: Cash and cash equivalents	(505)
Net cash outflow on acquisition of a subsidiary	61,245

Note (b)(i)

On November 1, 2011, SPH Magazines Pte Ltd ("SPH Magazines") acquired the entire issued share capital of ACP Magazines Pte Ltd ("ACP Magazines") and its relevant trademarks in Singapore, Malaysia and Indonesia. As a result of the acquisition, ACP Magazines became a wholly-owned subsidiary of SPH Magazines and was renamed to SPHM Pte. Ltd. ("SPHM"). In connection with the acquisition, HMI Singapore LLC exercised a put option to sell their remaining interest in Hearst Joint Venture to SPHM. The Group is expected to increase its presence in the above-mentioned countries with the acquisition.

The total consideration for the SPHM acquisition was S$61.8 million. The Group has recognised intangible assets of S$41.3 million upon finalisation of the purchase price allocation exercise.

The goodwill of S$15.7 million is attributed to the value and management expertise of the acquired business.

The acquired business contributed revenue of S$17.1 million and net profit of S$3.3 million to the Group for the period from November 1, 2011 to August 31, 2012. If the acquisition had occurred on September 1, 2011, Group operating revenue and net profit would have increased by another S$3.0 million and S$0.9 million respectively.

20. CASH AND CASH EQUIVALENTS (CONT'D)

(c) Acquisition of business by a subsidiary

	Group
	At fair values 2011 S$'000
Identifiable assets and liabilities	
Property, plant and equipment [Note 8(b)]	2
Intangible assets (excluding goodwill) [Note 15(b)]	35,375
Deferred income tax liabilities [Note 6(a)(i)]	(72)
Identifiable net assets acquired	35,305
Goodwill on acquisition [Note 15(a)]	8,195
Total purchase consideration [Note 20(c)(i)]	43,500
Less: Amount paid in previous financial year	(435)
Net cash outflow on acquisition of business by a subsidiary	43,065

Note (c)(i)

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 for the previous year would have increased by S$5.7 million and S$3.3 million respectively.

20. CASH AND CASH EQUIVALENTS (CONT'D)

(d) Disposal of a subsidiary

	Group
	2011 S$'000
Carrying values of identifiable assets and liabilities	
Property, plant and equipment [Note 8(b)]	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 (d)(i)

On December 31, 2010, Hardware Zone Pte Ltd, a wholly-owned subsidiary of 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.

21. TRADE AND OTHER PAYABLES

(a) Non-current

	Group	
	2012 S$'000	2011 S$'000
Deposits received	**32,953**	27,776

The fair value of deposits received approximate their carrying amount.

21. TRADE AND OTHER PAYABLES (CONT'D)

(b) Current

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Trade payables – non-related parties	**27,339**	43,409	**15,712**	33,294
Amounts owing to				
- Subsidiaries [Note 21(b)(i)]	**-**	-	**485,249**	459,047
- Jointly-controlled entity [Note 21(b)(ii)]	**14,131**	17,217	**14,131**	17,213
	14,131	17,217	**499,380**	476,260
Accrued operating expenses	**171,670**	159,983	**116,779**	120,807
Deposits received	**20,272**	22,359	**9,273**	9,070
Sundry creditors	**18,286**	24,258	**12,395**	5,606
Collections in advance	**26,985**	29,444	**10,505**	12,433
	278,683	296,670	**664,044**	657,470

(i) The amounts owing to subsidiaries are non-trade, unsecured and repayable on demand. Except for amounts owing to certain subsidiaries of S$29.8 million (2011: S$38.5 million) with effective interest rates ranging from 0.18% to 0.94% (2011: 0.15% to 0.37%) per annum as at the balance sheet date, the amounts owing to other subsidiaries are interest-free.

(ii) The amount owing to a jointly-controlled entity is non-trade, unsecured and repayable on demand. The amount of S$14.1 million (2011: S$17.2 million) is interest-bearing, with effective interest rates ranging from 0.07% to 0.23% (2011: 0.05% to 4.80%) per annum as at the balance sheet date.

22. CAPITAL AND OTHER COMMITMENTS

(a) Commitments for capital expenditure and investments

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Authorised and contracted for				
- Property, plant and equipment	**13,708**	5,363	**13,440**	4,938
- Investment properties	**24,147**	2,119	**-**	-
- Equity funding for associates	**6,963**	16,513	**-**	-
- Long-term/Short-term investments	**36,662**	37,161	**-**	-
	81,480	61,156	**13,440**	4,938

22. CAPITAL AND OTHER COMMITMENTS (CONT'D)

(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	
	2012 **S$'000**	2011 S$'000	**2012** **S$'000**	2011 S$'000
Within 1 year	**7,349**	7,080	**453**	406
Between 1 - 5 years	**17,822**	17,595	**245**	390
After 5 years	**141,776**	145,882	**-**	-
	166,947	170,557	**698**	796

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

The operating lease rental expense of S$11.1 million (2011: S$10.1 million) was recognised in the income statement during the financial year.

(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	
	2012 **S$'000**	2011 S$'000
Within 1 year	**180,583**	172,752
Between 1 - 5 years	**224,182**	214,857
After 5 years	**-**	368
	404,765	387,977

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

23. OPERATING REVENUE

	Group	
	2012	2011
	S$'000	S$'000
Newspaper and Magazine		
Sale of services - Advertisements	**769,355**	774,670
Sale of goods - Circulation	**202,896**	207,207
Others	**30,511**	31,408
	1,002,762	1,013,285
Property		
Rental and rental-related services	**191,421**	167,884
	191,421	167,884
Others		
Sale of services - Advertisements	**30,640**	26,892
Sale of services - Multimedia and other services	**48,090**	42,911
	78,730	69,803
	1,272,913	1,250,972

24. STAFF COSTS

	Group	
	2012	2011
	S$'000	S$'000
Salaries, bonuses and other costs	**317,098**	307,717
Employers' contribution to defined contribution plans	**36,801**	33,020
Share-based compensation expense [Note 5(a)]	**6,261**	7,724
	360,160	348,461

25. OTHER OPERATING EXPENSES

	Group	
	2012 S$'000	2011 S$'000
Included in other operating expenses are:		
Audit fees		
- Company's auditors	**835**	812
- Other auditors	**89**	85
Non-audit fees#		
- Company's auditors	**97**	203
Net foreign exchange loss from operations	**1,024**	614
Amortisation of intangible assets [Notes 15(b) and 15(c)]	**7,678**	5,712
Impairment of intangible assets [Note 15(c)]	**481**	-
Impairment of goodwill [Note 15(a)]	**-**	1,134
Allowance for impairment of trade receivables [Note 31(b)(ii)]	**534**	1,586
Bad debts recovery	**(320)**	(342)
Impairment of property, plant and equipment	**84**	1,513
Allowance for impairment of an associate [Note 12]	**45**	342
Net loss/(profit) on disposal of property, plant and equipment	**273**	(199)

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

26. FINANCE COSTS

	Group	
	2012 S$'000	2011 S$'000
Interest expense		
- Bank loans	**2,571**	3,574
- Fixed rate notes	**16,906**	16,860
- Loans from non-controlling interests	**2,308**	4,255
Cash flow hedges, transferred from hedging reserve [Note 5(b)]*	**2,667**	15,122
	24,452	39,811

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

27. NET INCOME FROM INVESTMENTS

	Group	
	2012 S$'000	2011 S$'000
Available-for-sale financial assets		
Interest income	**4,666**	6,562
Dividend income	**24,934**	28,504
Net foreign exchange gain/(loss)	**2,575**	(717)
Transferred from fair value reserve on disposal of investments [Note 5(c)]	**6,253**	3,461
Impairment of investments	**-**	(4,714)
	38,428	33,096
Financial assets at fair value through profit or loss		
Net fair value gain on internally-managed investments		
- Designated upon initial recognition	**864**	2,227
Write-back of provision for loss on derivative financial instrument	**-**	5,168
Net fair value (loss)/gain on derivative financial instruments	**(6,088)**	14,403
	(5,224)	21,798
Deposits with financial institutions		
Interest income	**651**	1,420
Net foreign exchange loss	**(1,265)**	(5,963)
	(614)	(4,543)
	32,590	50,351

28. DIVIDENDS

	Group and Company	
	2012 S$'000	2011 S$'000
Dividends paid:		
- Final tax-exempt dividend of 9 cents per share in respect of previous financial year (2011: 9 cents per share)	**144,822**	144,593
- Special final tax-exempt dividend of 8 cents per share in respect of previous financial year (2011: 11 cents per share)	**128,731**	176,725
- Interim tax-exempt dividend of 7 cents per share (2011: 7 cents per share)	**112,814**	112,621
	386,367	433,939

(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$274.0 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, 2013 when they are approved at the next annual general meeting.

29. EARNINGS PER SHARE

	Group			
	2012		2011	
	Basic S$'000	**Diluted S$'000**	Basic S$'000	Diluted S$'000
Profit after taxation attributable to shareholders of the Company	**365,542**	**365,542**	388,575	388,575
	Number of Shares '000	**'000**	Number of Shares '000	'000
Weighted average number of shares	**1,610,705**	**1,610,705**	1,607,937	1,607,937
Adjustment for assumed conversion of				
- share options	**-**	**79**	-	309
- performance shares	**-**	**8,736**	-	9,472
Weighted average number of shares used to compute earnings per share	**1,610,705**	**1,619,520**	1,607,937	1,617,718
	Basic	**Diluted**	Basic	Diluted
Earnings per share (S$)	**0.23**	**0.23**	0.24	0.24

30. SIGNIFICANT SUBSIDIARIES OF THE GROUP

Name of Subsidiaries	Principal Activities	Country of Incorporation	Effective % of Equity held by the Group	
			2012 %	2011 %
Times Properties Private Limited	Letting properties and provision of property management services	Singapore	**100**	100
Orchard 290 Ltd	Holding investments and management 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
The Seletar Mall Pte Ltd	Holding property investments and management of shopping centre	Singapore	**70**	100
SG Domain Pte Ltd	Holding investments	Singapore	**60**	60
CM Domain Pte Ltd	Holding property investments and management of shopping centre	Singapore	**60**	60

Note:
(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 197 and 198 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.

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:

	2012			
	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Financial assets				
Trade and other receivables	129,164	28,168	22,222	179,554
Short-term investments	229,305	-	-	229,305
Cash and cash equivalents	361,580	5,269	5,610	372,459
	720,049	33,437	27,832	781,318
Financial liabilities				
Trade and other payables	(270,354)	(4,684)	(9,613)	(284,651)
Borrowings	(1,279,248)	-	(4,367)	(1,283,615)
	(1,549,602)	(4,684)	(13,980)	(1,568,266)
Net financial (liabilities)/assets	(829,553)	28,753	13,852	(786,948)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	829,553	-	(2,121)	827,432
Less: Firm commitments in foreign currencies	-	(1,609)	(5,758)	(7,367)
Less: Currency forwards	-	(67,360)	(11,583)	(78,943)
Currency exposure	-	(40,216)	(5,610)	(45,826)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	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)

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:

	2012			
	SGD S$'000	USD S$'000	Others S$'000	Total S$'000
Financial assets				
Trade and other receivables	1,833,043	569	209	1,833,821
Short-term investments	89,960	-	-	89,960
Cash and cash equivalents	112,610	1,003	245	113,858
	2,035,613	1,572	454	2,037,639
Financial liabilities				
Trade and other payables	(647,661)	(5,071)	(807)	(653,539)
Borrowings	(828,359)	-	-	(828,359)
	(1,476,020)	(5,071)	(807)	(1,481,898)
Net financial assets/(liabilities)	559,593	(3,499)	(353)	555,741
Less: Net financial assets denominated in the Company's functional currency	(559,593)	-	-	(559,593)
Less: Firm commitments in foreign currencies	-	(1,609)	(5,758)	(7,367)
Less: Currency forwards	-	-	(472)	(472)
Currency exposure	-	(5,108)	(6,583)	(11,691)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

	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 assets/(liabilities)	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)

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% (2011: 5%) with all other variables including tax rate being held constant, the effects arising from the currency exposure will be as follows:

	2012		2011	
	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	(1,669)	-	(3,780)	-
- weakened	1,669	-	3,780	-
CNH against SGD				
- strengthened	-	-	(7)	-
- weakened	-	-	7	-
Company				
USD against SGD				
- strengthened	(212)	-	(511)	-
- weakened	212	-	511	-
CNH against SGD				
- strengthened	-	-	(7)	-
- weakened	-	-	7	-

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% (2011: 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:

	2012		2011	
	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	4,007	102,053	5,758	109,733
- decreased by	(4,007)	(102,053)	(5,758)	(109,733)
Company				
Internally-managed investments				
- increased by	-	9,270	-	7,359
- decreased by	-	(9,270)	-	(7,359)

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 0.5% point (2011: 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.

	2012		2011	
	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	(1,105)	-	(311)	-
- decreased by	1,105	-	311	-
Internally-managed investments				
- increased by	(10)	(560)	(26)	(676)
- decreased by	10	560	26	676
Company				
Borrowings (net of interest rate swap)				
- increased by	(457)	-	-	-
- decreased by	457	-	-	-

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, 2012 was S$0.8 million (2011: S$0.8 million).

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

	Group		Company	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
By types of customers				
Advertisement	**97,375**	98,309	**76,120**	81,157
Circulation	**9,756**	11,438	**7,755**	10,239
Multimedia	**2,038**	2,467	**1,240**	1,379
Broadcasting	**1,688**	1,572	**-**	-
Rental	**1,398**	6,528	**-**	-
Others	**14,570**	14,027	**9,262**	9,735
	126,825	134,341	**94,377**	102,510

As at August 31, 2012, 40% - 60% of the trade receivables were backed by bankers'/insurance guarantees and/or deposits from customers.

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (cont'd)

(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.

(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	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Past due 1 to 30 days	**18,554**	18,097	**9,530**	11,669
Past due 31 to 60 days	**6,958**	5,494	**3,024**	2,514
Past due 61 to 90 days	**3,425**	2,653	**580**	886
Past due over 90 days	**3,473**	3,665	**1,488**	1,115
	32,410	29,909	**14,622**	16,184

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	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000
Gross amount	**10,417**	10,342	**7,439**	8,318
Less: Allowance for impairment	**(10,417)**	(10,342)	**(7,439)**	(8,318)
	-	-	**-**	-
Beginning of financial year	**10,342**	10,177	**8,318**	8,366
Acquisition of a subsidiary	**1,002**	-	**-**	-
Disposal of a subsidiary	**-**	(5)	**-**	-
Allowance made [Note 25]	**534**	1,586	**104**	590
Allowance utilised	**(1,446)**	(1,293)	**(983)**	(638)
Currency translation difference	**(15)**	(123)	**-**	-
End of financial year	**10,417**	10,342	**7,439**	8,318

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

notes to the financial statements

August 31, 2012

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, 2012				
Net-settled interest rate swap	**(2,345)**	**(2,345)**	**(6,139)**	**-**
Gross-settled currency forwards				
- Receipts	**79,444**	**-**	**-**	**-**
- Payments	**(78,949)**	**-**	**-**	**-**
Trade and other payables	**(251,698)**	**(13,640)**	**(19,226)**	**(87)**
Borrowings	**(27,437)**	**(24,095)**	**(1,310,294)**	**(1,073)**
	(280,985)	**(40,080)**	**(1,335,659)**	**(1,160)**
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)

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, 2012				
Net-settled interest rate swap	**(255)**	**(255)**	**(160)**	**-**
Gross-settled currency forwards				
- Receipts	**472**	**-**	**-**	**-**
- Payments	**(478)**	**-**	**-**	**-**
Trade and other payables	**(653,539)**	**-**	**-**	**-**
Borrowings	**(19,521)**	**(19,521)**	**(842,730)**	**-**
	(673,321)	**(19,776)**	**(842,890)**	**-**
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)	-

(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 16.3% per annum for the current financial year ended August 31, 2012 (2011: 17.4% per annum) and is in line with the Group's objectives. The "Return on Shareholders' Funds" for the last 5 years was between 16.3% and 22.4%.

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				
2012				
Assets				
Financial assets at fair value through profit or loss	**34,172**	**-**	**-**	**34,172**
Available-for-sale financial assets	**654,562**	**51,677**	**49,646**	**755,885**
Derivative financial instruments	**-**	**596**	**-**	**596**
Total assets	**688,734**	**52,273**	**49,646**	**790,653**
Liabilities				
Derivative financial instruments	**-**	**(7,849)**	**-**	**(7,849)**
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)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value measurements (cont'd)

	Level 1 S$'000	Level 2 S$'000	Total S$'000
Company			
2012			
Assets			
Available-for-sale financial assets	**136,311**	**-**	**136,311**
Liabilities			
Derivative financial instruments	**-**	**(677)**	**(677)**
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)

The fair value of financial instruments traded in active markets 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.

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, 2012 is as follows:

	Group	
	Available-for-sale financial assets	
	Investment funds S$'000	Equities S$'000
2012		
At September 1, 2011	**55,764**	**3,802**
Purchases of Level 3 securities	**20,208**	**552**
Disposal of Level 3 securities	**(30,613)**	**-**
Gains and losses recognised in income statement	**4**	**-**
Gains and losses recognised in other comprehensive income	**32**	**(103)**
At August 31, 2012	**45,395**	**4,251**
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

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Financial instruments by category

Group

2012

	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	179,554	-	-	179,554
Long-term investments	-	-	381,614	381,614
Short-term investments	-	34,172	374,271	408,443
Derivative financial instruments	-	596	-	596
Bank balances and fixed deposits	372,459	-	-	372,459
	552,013	34,768	755,885	1,342,666

	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	-	-	(284,651)	(284,651)
Borrowings	-	-	(1,283,615)	(1,283,615)
Derivative financial instruments	(97)	(7,752)	-	(7,849)
	(97)	(7,752)	(1,568,266)	(1,576,115)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

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
Bank balances and fixed deposits	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)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

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

Company

2012

	Loans and receivables 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	1,833,821	-	1,833,821
Long-term investments	-	46,351	46,351
Short-term investments	-	89,960	89,960
Bank balances and fixed deposits	113,858	-	113,858
	1,947,679	136,311	2,083,990

	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	-	-	(653,539)	(653,539)
Borrowings	-	-	(828,359)	(828,359)
Derivative financial instruments	(7)	(670)	-	(677)
	(7)	(670)	(1,481,898)	(1,482,575)

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
Bank balances and fixed deposits	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

32. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

	Group	
	2012 S$'000	2011 S$'000
Rental income from non-controlling interest	**4,073**	2,201
Fees paid to a firm of which a director is a member	**189**	382

(b) Key management personnel compensation and transactions

Key management personnel compensation and transactions are as follows:

	Group	
	2012 S$'000	2011 S$'000
Remuneration and other short-term employee benefits	**20,450**	21,284
Employers' contribution to defined contribution plans	**503**	411
Share-based compensation expense	**3,729**	3,558
	24,682	25,253
Staff loans granted to key management personnel	**165**	405

The above includes total emoluments of the Company's directors of S$4.1 million (2011: S$3.9 million).

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.

Segment performance is evaluated based on Profit/(loss) before taxation which is used as a measure of performance as management believes this is most relevant in evaluating the results of the segments.

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.

33. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

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

2012

	Newspaper and Magazine	Treasury and Investment	Property	Others	Eliminations	Consolidated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Operating revenue						
External sales	1,002,762	-	191,421	78,730	-	1,272,913
Inter-segmental sales	5,126	-	1,984	1,983	(9,093)	-
Total operating revenue	1,007,888	-	193,405	80,713	(9,093)	1,272,913
Result						
Segment result	330,552	31,587	123,704	(18,945)	-	466,898
Finance costs	(42)	(469)	(23,931)	(10)	-	(24,452)
Interest income	107	-	197	82	-	386
Share of profits/(losses) of associates and jointly-controlled entities	4,506	-	-	(5,678)	-	(1,172)
Profit/(loss) before taxation	335,123	31,118	99,970	(24,551)	-	441,660
Taxation						(72,302)
Profit after taxation						369,358
Non-controlling interests						(3,816)
Profit attributable to shareholders						365,542
Other information						
Segment assets	657,523	1,001,544	2,267,888	130,290	-	4,057,245
Segment assets includes:						
Investments in associates/ jointly-controlled entities	36,611	-	-	58,073	-	94,684
Additions to:						
- property, plant and equipment	21,540	-	873	5,091	-	27,504
- investment properties	-	-	353,436	-	-	353,436
- intangible assets	56,950	-	-	200	-	57,150
Segment liabilities	202,091	284	1,369,207	31,518	-	1,603,100
Current income tax liabilities						81,856
Deferred income tax liabilities						47,227
Consolidated total liabilities						1,732,183

33. SEGMENTAL INFORMATION (CONT'D)

(a) Operating segments (cont'd)

2012 (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	**44,175**	**-**	**29,964**	**4,065**	**-**	**78,204**
Amortisation of intangible assets	**2,482**	**-**	**-**	**5,196**	**-**	**7,678**
Impairment of property, plant and equipment	**5**	**-**	**-**	**79**	**-**	**84**
Reversal of impairment of property, plant and equipment	**(849)**	**-**	**-**	**-**	**-**	**(849)**
Allowance for impairment of intangibles assets	**-**	**-**	**-**	**481**	**-**	**481**

2011

Operating revenue

	Newspaper and Magazine S$'000	Treasury and Investment S$'000	Property S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
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

	Newspaper and Magazine S$'000	Treasury and Investment S$'000	Property S$'000	Others S$'000	Eliminations S$'000	Consolidated S$'000
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

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
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
- intangible assets	-	-	-	43,570	-	43,570
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
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

(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	
	2012 S$'000	2011 S$'000	**2012 S$'000**	2011 S$'000	**2012 S$'000**	2011 S$'000
Singapore	**1,232,503**	1,213,780	**3,015,032**	2,644,444	**3,986,321**	3,836,152
Other countries	**40,410**	37,192	**49,342**	34,870	**70,924**	52,622
	1,272,913	1,250,972	**3,064,374**	2,679,314	**4,057,245**	3,888,774

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, 2012 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. COMPARATIVES INFORMATION

During the current year, the Group made some changes to the classification of certain expenses in the income statement to reflect more appropriately the nature of these expenses. Comparative amounts in the income statement were reclassified for consistency, as set out below.

	Group	
	As Restated 2011 S$'000	As Previously Disclosed 2011 S$'000
Materials, production and distribution costs [Note 35(a)]	(218,868)	-
Materials, consumables and broadcasting costs [Note 35(b)]	-	(164,449)
Staff costs	(348,461)	(348,461)
Premises costs [Note 35(c)]	(54,830)	-
Depreciation	(76,785)	(76,785)
Other operating expenses	(122,031)	(231,280)
Finance costs	(39,811)	(39,811)
	(860,786)	(860,786)

Since the amounts are reclassifications within operating activities in the income statement, this reclassification did not have any effect on the balance sheets and statement of cash flows.

(a) Materials, production and distribution costs comprise raw materials and overheads incurred mainly in the printing and distribution of newspaper and magazine products.

(b) Expenses previously disclosed as materials, consumables and broadcasting costs are now shown as part of materials, production and distribution costs.

(c) Premises costs comprise running costs associated with the Group's investment properties and office premises, including maintenance, utilities and property taxes.

36. AUTHORISATION OF FINANCIAL STATEMENTS

On October 12, 2012, the Board of Directors of Singapore Press Holdings Limited authorised these financial statements for issue.

operating companies of the group

as at August 31, 2012

SUBSIDIARIES

Name of Subsidiary	Principal Activities	Country of Incorporation
701Sou (Hong Kong) Pte Ltd	Holding investments	Hong Kong
Bizlink Exhibition Services Pte Ltd	Exhibitions/ convention/ conference organisers	Singapore
Blu Inc Holdings (Malaysia) Sdn Bhd	Holding investments and providing management support services	Malaysia
Blu Inc Media (HK) Limited	Publishing magazines and providing editorial and other services	Hong Kong
Blu Inc Media China	Advertising and promoting the magazine publishing business	The People's Republic of China
Blu Inc Media Sdn Bhd	Publishing and distributing magazines and books	Malaysia
CT Point Investments Pte Ltd	Holding investments	Singapore
Exhibits Inc Pte Ltd	Exhibitions/ convention/ conference organisers	Singapore
Focus Publishing Ltd	Publishing magazines and providing editorial services	Singapore
Moon Holdings Pte Ltd	Holding investments	Singapore
New Beginnings Management Consulting (Shanghai) Company Limited	Business management and consultancy services	The People's Republic of China
Shareinvestor Pte Ltd	Providing online investor relations services, developing applications and operating a financial portal	Singapore
Shareinvestor.com Holdings Pte Ltd	Holding investments and providing management services	Singapore
SI Portal.com Sdn Bhd	Providing online investor relations services, developing applications and operating a financial portal	Malaysia
Sin Chew Jit Poh (Singapore) Limited	Holding investments and properties	Singapore
Singapore Press Holdings (Overseas) Limited	Providing marketing and other services and holding investments	Singapore

operating companies of the group

as at August 31, 2012

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Activities	Country of Incorporation
SPH (Americas) Pte Ltd	Providing news reporting services	Singapore
SPH AlphaOne Pte Ltd	Holding investments	Singapore
SPH Buzz Pte Ltd	Franchising kiosks to third party operators	Singapore
SPH Data Services Pte Ltd	Licensing copyrights and trademarks	Singapore
SPH Interactive International Pte Ltd	Licensing software, providing technical services and holding investments	Singapore
SPH Interactive Pte Ltd	Holding investments	Singapore
SPH Magazines Pte Ltd	Publishing magazines, providing online marketing services and editorial services and holding investments	Singapore
SPH MediaBoxOffice Pte Ltd	Providing advertising and events management services	Singapore
SPH Net Pte Ltd	Holding investments	Singapore
SPH UnionWorks Pte Ltd	Radio broadcasting	Singapore
SPHM Pte Ltd	Publishing and distributing magazines	Singapore
Sphere Exhibits Pte Ltd	Events/ exhibitions/ conventions/ conference organisers	Singapore
Straits Times Press Pte Ltd	Publishing and distributing of books	Singapore
Tamil Murasu Ltd	Publishing newspapers	Singapore
The Straits Times Press (1975) Limited	Holding investments	Singapore

operating companies of the group

as at August 31, 2012

ASSOCIATES

Name of Associate	Principal Activities	Country of Incorporation
White Wave Media Group Pte Ltd	Providing online advertising and publication services	Singapore
Hardware Zone (Philippines) Co	Publishing, advertising and providing online services	Philippines
Kyosei Ventures Pte Ltd	Providing online marketing and technology services	Singapore
MediaCorp Press Ltd	Production and distribution of newspapers	Singapore
MediaCorp TV Holdings Pte Ltd	Provision and marketing of television broadcasting services, production and distribution of television programmes and music albums	Singapore
MI Publishing (HK) Co Limited	Publishing magazines	Hong Kong
OpenNet Pte Ltd	Developing national broadband network	Singapore
SI.com (Thailand) Co. Ltd	Providing online investor relations services, developing applications and operating a financial portal	Thailand
Sphere Exhibits (Beijing) Co Ltd	Events/ exhibitions/ conventions/ conference organisers	The People's Republic of China

JOINTLY-CONTROLLED ENTITIES

Name of Jointly-controlled Entity	Principal Activities	Country of Incorporation
701Panduan Sdn Bhd	Providing online search and directories services	Malaysia
701Search Pte Ltd	Online businesses	Singapore
701Search, Inc.	Providing online search, directories and classifieds	Philippines
701Ventures Pte. Ltd.	Providing online classifieds services	Singapore
Mudah.my Sdn Bhd	Providing online classifieds services	Malaysia
PT 701Search	Providing online classifieds services	Indonesia

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as at August 6, 2012

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properties of the group

as at August 31, 2012

Location	Tenure	Expiry Date Of Lease	Land (Sq M)	Built-In (Sq M)	Existing Use	Effective Group Interest (%)
SINGAPORE						
Media Centre 82 Genting Lane	Leasehold	July 15, 2040	24,892	49,131	Industrial	100
Print Centre 2 Jurong Port Road	Leasehold	June 8, 2034	110,075	102,152	Industrial	100
News Centre 1000 Toa Payoh North	Leasehold	March 2, 2031	21,730	54,296	Industrial	100
Manhattan House 151 Chin Swee Road Units #01-39 to #01-48 and #01-51 to #01-56	Leasehold	October 15, 2068	-	554	Commercial	100
20A Yarwood Avenue	Leasehold	May 6, 2878	1,721	488	Residential	100
42 Nassim Road	Freehold	-	1,406	686	Residential	100
42A Nassim Road	Freehold	-	1,444	645	Residential	100
42B Nassim Road	Freehold	-	1,418	645	Residential	100
Paragon 290 Orchard Road	Freehold	-	17,355	94,307	Commercial	100
The Clementi Mall Commonwealth Avenue West/ Clementi Avenue 3	Leasehold	August 31, 2109	-	26,976	Commercial	60
The Seletar Mall Sengkang West Avenue/ Fernvale Road (under construction)	Leasehold	April 17, 2111	8,790	26,370	Commercial	70
MALAYSIA						
Awana Condominium Unit 3544 Genting Highlands	Freehold	-	-	117	Residential	100
HONGKONG						
Tower Two, Lippo Centre Unit 1308, 13th Floor 89 Queensway, Hong Kong	Leasehold	February 14, 2059	-	368	Commercial	100
CHINA						
New Beginnings Room 1302, Block A No. 868 East Longhua Road Shanghai 200023, PRC	Leasehold	February 17, 2058	170	111	Commercial	100
Blu Inc Media China Unit 1902-1905 No. 425 Yishan Road Xuhui District, Shanghai	Leasehold	August 27, 2054	647	461	Commercial	100

options and awards

Details of the options and awards granted to a Director under the Singapore Press Holdings Group (1999) Share Option Scheme ("1999 Scheme") and the SPH Performance Share Plan ("Share Plan") are as follows:

1999 Scheme

Name of Director	Aggregate awards outstanding as at 1.9.11	Aggregate options granted and accepted since commencement of 1999 Scheme on 16.07.99 to 31.8.12	Aggregate options exercised since commencement of 1999 Scheme on 16.07.99 to 31.8.12	Aggregate options outstanding as at 31.8.12	Number of new ordinary shares issued pursuant to exercise of options during the financial year under review	Number of existing ordinary shares transferred pursuant to exercise of options during the financial year under review
Chan Heng Loon Alan	1,275,000	2,125,000	850,000	1,275,000	-	-

Share Plan

Name of Director	Aggregate awards outstanding as at 1.9.11	Aggregate awards granted since commencement of Share Plan on 5.12.06 to 31.8.12	Aggregate awards released during the financial year under review	Aggregate awards outstanding as at 31.8.12
Chan Heng Loon Alan	Up to 1,008,350	Up to 2,030,100	158,050	Up to 1,089,700

In respect of the 1999 Scheme and the Share Plan:

1. The 1999 Scheme has been terminated with regard to the grant of further options. No options were granted under the 1999 Scheme during the financial year under review.
2. The Rules of the 1999 Scheme do not allow for options to be granted at a discount.
3. Details of the ordinary shares delivered pursuant to awards granted under the Share Plan are set out in the Notes to the Accounts. The prices at which the ordinary shares were purchased have been previously announced.
4. No options or awards under the 1999 Scheme and the Share Plan have been granted to controlling shareholders of the Company or their associates.
5. No participant has received 5% or more aggregate of (a) the total number of new ordinary shares available under the Share Plan and 1999 Scheme collectively, and (b) the total number of existing ordinary shares delivered pursuant to awards released under the Share Plan and options exercised under the 1999 Scheme.

Copies of the 1999 Scheme and the Share Plan Rules are available for inspection at the Company's registered office.

shareholding statistics

as at October 5, 2012

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%*
1 - 999	1,502	2.67	646,677	0.04
1,000 - 10,000	43,021	76.46	170,730,344	10.70
10,001 - 1,000,000	11,666	20.73	552,669,917	34.65
1,000,001 and above	81	0.14	871,239,065	54.61
TOTAL	**56,270**	**100.00**	**1,595,286,003**	**100.00**

* *Shareholdings exclusive of 1,038,318 treasury shares*

TWENTY LARGEST ORDINARY SHAREHOLDERS

	Name of Shareholder	No. of Shares	%*
1	CITIBANK NOMINEES SINGAPORE PTE LTD	183,128,430	11.48
2	HSBC (SINGAPORE) NOMINEES PTE LTD	141,815,341	8.89
3	DBS NOMINEES PTE LTD	124,690,531	7.82
4	DBSN SERVICES PTE LTD	53,803,779	3.37
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	49,090,121	3.08
6	RAFFLES NOMINEES (PTE) LTD	31,173,802	1.95
7	BANK OF SINGAPORE NOMINEES PTE LTD	24,282,574	1.52
8	UOB KAY HIAN PTE LTD	18,951,722	1.19
9	LEE FOUNDATION STATES OF MALAYA	15,215,522	0.95
10	LEE PINEAPPLE COMPANY PTE LTD	12,750,000	0.80
11	BNP PARIBAS SECURITIES SERVICES SINGAPORE PTE LTD	10,705,972	0.67
12	DB NOMINEES (S) PTE LTD	9,000,094	0.56
13	OCBC NOMINEES SINGAPORE PRIVATE LTD	8,956,595	0.56
14	EST OF TAN ENG SIAN, DEC'D	8,488,754	0.53
15	LEE FOUNDATION	8,210,940	0.51
16	LEUNG KAI FOOK MEDICAL CO PTE LTD	8,136,350	0.51
17	CHAN SIEW KIM ALICE	8,000,000	0.50
18	NANYANG PRESS (SINGAPORE) LIMITED	7,973,824	0.50
19	UOB NOMINEES (2006) PTE LTD	7,735,807	0.48
20	MERRILL LYNCH (S'PORE) PTE LTD	6,537,563	0.41
	Total:	**738,647,721**	**46.28**

* *Shareholdings exclusive of 1,038,318 treasury shares*

shareholding statistics

as at October 5, 2012

DISTRIBUTION OF MANAGEMENT SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	12	57.14	48	0.00
1,000 - 10,000	0	0.00	0	0.00
10,001 - 1,000,000	3	14.29	2,187,466	13.41
1,000,001 and above	6	28.57	14,130,572	86.59
TOTAL	**21**	**100.00**	**16,318,086**	**100.00**

HOLDERS OF MANAGEMENT SHARES

	Name of Shareholder	No. of Shares	%
1	THE GREAT EASTERN LIFE ASSURANCE CO LTD	3,688,419	22.60
2	OVERSEA-CHINESE BANKING CORPORATION LTD	2,741,488	16.80
3	NTUC INCOME INSURANCE COOPERATIVE LIMITED	2,667,080	16.35
4	SINGAPORE TELECOMMUNICATIONS LIMITED	2,170,310	13.30
5	THE DEVELOPMENT BANK OF SINGAPORE LTD	1,550,213	9.50
6	UNITED OVERSEAS BANK LTD	1,313,062	8.05
7	NATIONAL UNIVERSITY OF SINGAPORE	874,456	5.36
8	FRASER & NEAVE, LIMITED	656,505	4.02
9	FULLERTON (PRIVATE) LIMITED	656,505	4.02
10	CHIEF EXECUTIVE OFFICER	4	0.00
11	DIRECTORS (FOUR EACH)	44	0.00
	Total:	**16,318,086**	**100.00**

Not less than 99.9% of the ordinary shares in the Company is held by the public and Rule 723 of the Singapore Exchange Listing Manual has been complied with.

VOTING RIGHTS OF SHAREHOLDERS

The holders of management and ordinary shares shall be entitled either on a poll or by a show of hands to one (1) 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 the management shares shall be entitled either on a poll or by show of hands to two hundred (200) votes for each management share held.

notice of annual general meeting

SINGAPORE PRESS HOLDINGS LIMITED **(Incorporated in the Republic of Singapore) (Co Regn No: 198402868E)**

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of the Company will be held at The Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on Friday, November 30, 2012 at 10.30 a.m. for the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended August 31, 2012.

2. To declare a final dividend of 9 cents and a special dividend of 8 cents, on a tax-exempt (one-tier) basis, in respect of the financial year ended August 31, 2012.

3. To re-appoint Cham Tao Soon as a Director of the Company, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

4. To re-elect the following Directors who are retiring by rotation in accordance with Articles 111 and 112 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:

   (i) Chan Heng Loon Alan
   (ii) Chong Siak Ching
   (iii) Lucien Wong Yuen Kuai

5. To re-elect the following Directors who will cease to hold office in accordance with Article 115 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:

   (i) Bahren Shaari
   (ii) Tan Yen Yen

6. To approve Directors' fees of up to S$1,400,000 for the financial year ending 31 August 2013 (2012: up to S$1,350,000).

7. To appoint KPMG LLP as the Auditors in place of the retiring auditors, PricewaterhouseCoopers LLP, and to authorise the Directors to fix their remuneration.

8. To transact any other business of an Annual General Meeting.

SPECIAL BUSINESS

9. To consider and, if thought fit, to pass, with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

   (i) "That pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Companies Act**") and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206, authority be and is hereby given to the Directors of the Company to:

      (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

      (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

      (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force, provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(ii) "That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the SPH Performance Share Plan (the "**SPH Performance Share Plan**") and to allot and issue such number of ordinary shares in the capital of the Company ("**Ordinary Shares**") as may be required to be delivered pursuant to the vesting of awards under the SPH Performance Share Plan, provided that the aggregate number of new Ordinary Shares allotted and issued and/or to be allotted and issued, when aggregated with existing Ordinary Shares (including Ordinary Shares held in treasury) delivered and/or to be delivered, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme and the SPH Performance Share Plan, shall not exceed 10 per cent. of the total number of issued Ordinary Shares (excluding treasury shares) from time to time."

(iii) "That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Ordinary Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST; and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and

(iii) the date on which purchases or acquisitions of Ordinary Shares pursuant to the Share Buy Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of an Ordinary Share for the five consecutive trading days on which the Ordinary Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant five day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from holders of Ordinary Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Ordinary Shares representing 10% of the total number of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding any Ordinary Shares which are held as treasury shares as at that date); and

"**Maximum Price**", in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed, in the case of a market purchase of an Ordinary Share and off-market purchase pursuant to an equal access scheme, 105% of the Average Closing Price of the Ordinary Share; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

By Order of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

Singapore,
November 1, 2012

Notes:
A Member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote in his stead and the proxy need not be a Member of the Company. The instrument appointing the proxy must be lodged at the Company's Share Registration Office, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 not less than 48 hours before the time fixed for the meeting.

notice of annual general meeting

SINGAPORE PRESS HOLDINGS LIMITED (Incorporated in the Republic of Singapore) (Co Regn No: 198402868E)

EXPLANATORY NOTES & STATEMENT PURSUANT TO ARTICLE 72 OF THE COMPANY'S ARTICLES OF ASSOCIATION

1. In relation to Ordinary Resolution No. 3:

    - Cham Tao Soon* will, upon re-appointment, continue as Chairman of the Nominating Committee and a member of the Executive Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Cham and the other Directors or the Company.

2. In relation to Ordinary Resolution No. 4(i):

    - Chan Heng Loon Alan* will, upon re-election, continue as a member of the Executive Committee. He is considered a non-independent Director. There are no relationships (including immediate family relationships) between Mr Chan and the other Directors or the Company.

3. In relation to Ordinary Resolution No. 4(ii):

    - Chong Siak Ching* will, upon re-election, continue as a member of the Audit Committee and become a member of the Nominating Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Chong and the other Directors or the Company.

4. In relation to Ordinary Resolution No. 4(iii):

    - Lucien Wong Yuen Kuai* will, upon re-election, continue as a member of the Audit Committee and a member of the Board Risk Committee. He will step down as a member of the Nominating Committee and will become a member of the Remuneration Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Wong and the other Directors or the Company.

5. In relation to Ordinary Resolution No. 5(i):

    - Bahren Shaari* will, upon re-election, continue as a member of the Audit Committee. He is considered an independent Director. There are no relationships (including immediate family relationships) between Mr Shaari and the other Directors or the Company. Mr Shaari will on 14 March 2013 be appointed Chairman of the Audit Committee upon the retirement of Dr Yeo Ning Hong from the Board on the same day.

6. In relation to Ordinary Resolution No. 5(ii):

    - Tan Yen Yen* will, upon re-election, continue as a member of the Remuneration Committee and the Board Risk Committee. She is considered an independent Director. There are no relationships (including immediate family relationships) between Ms Tan and the other Directors or the Company.

7. Ordinary Resolution No. 6, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 September 2012 to 31 August 2013. The amount of Directors' fees is computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of an additional Director, additional unscheduled Board meetings and for the formation of additional Board Committees.

8. Ordinary Resolution No. 7 is to appoint KPMG LLP as the Auditors of the Company in place of the retiring auditors, PricewaterhouseCoopers LLP, and to authorise the Directors to fix their remuneration.

   PricewaterhouseCoopers LLP (and, before their merger with Price Waterhouse to form PricewaterhouseCoopers LLP, Coopers & Lybrand) have served as external Auditors of the Company since its incorporation in 1984. As part of ongoing good corporate governance initiatives, the Directors are of the view that it would be timely to effect a change of external Auditors with effect from the financial year ending 31 August 2013. PricewaterhouseCoopers LLP, the retiring Auditors, will accordingly not be seeking re-election at the forthcoming Annual General Meeting.

   KPMG LLP is registered with the Accounting and Corporate Regulatory Authority. The audit partner who will be in charge of the audit is Ong Pang Thye.

   In accordance with the requirements of Rule 1203(5) of the listing manual of the SGX-ST:

   (a) the outgoing Auditors, PricewaterhouseCoopers LLP, have confirmed that they are not aware of any professional reasons why the new Auditors, KPMG LLP, should not accept appointment as Auditors of the Company;

   (b) the Company confirms that there were no disagreements with the outgoing Auditors, PricewaterhouseCoopers LLP, on accounting treatments within the last 12 months;

   (c) the Company confirms that, other than as set out above, it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of shareholders; and

   (d) the Company confirms that it is in compliance with Rule 712 and Rule 715, of the listing manual of the SGX-ST in relation to the appointment of KPMG LLP as the Auditors of the Company.

   The Audit Committee invited competitive proposals from various audit firms. The Audit Committee then reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, and the audit engagement partner to be assigned to the audit, as well as the size and complexity of the Company and its subsidiaries. After evaluation, the Audit Committee recommended that KPMG LLP be selected for the proposed appointment.

   The Directors have taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and are satisfied that KPMG LLP will be able to meet the audit requirements of the Company. The Directors accordingly recommend that shareholders vote in favour of Ordinary Resolution No. 7.

   The formal letter of consent to act as Auditors of the Company issued by KPMG LLP is available for inspection at the registered office of the Company at 1000 Toa Payoh North, News Centre, Singapore 318994 during normal business hours from the date of this Notice up to the date of the Twenty-Eighth Annual General Meeting of the Company.

   Pursuant to Section 205 of the Companies Act, a copy of the notice of nomination of the proposed new Auditors dated 3 October 2012 from a shareholder of the Company is enclosed with this Notice.

   The Directors collectively and individually accept full responsibility for the accuracy of the information given in this paragraph 8 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this paragraph 8 constitutes full and true disclosure of all material facts about the appointment of KPMG LLP as the Company's Auditors, and the Company and its subsidiaries which are relevant to the appointment of KPMG LLP as the Company's Auditors, and the Directors are not aware of any facts the omission of which would make any statement in this paragraph 8 misleading.

   If a shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

   The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made in this paragraph 8.

9. The effects of the resolutions under the heading "Special Business" in the Notice of the Twenty-Eighth Annual General Meeting are:

    (a) Ordinary Resolution No. 9(i) is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting, subject to the provisions of the Newspaper and Printing Presses Act, Chapter 206 of Singapore, to issue shares in the capital of the Company and/or to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 10 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution No. 9(i) is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 9(i) is passed, and (ii) any subsequent bonus issue, consolidation or sub-division of shares. For the avoidance of doubt, any consolidation or sub-division of shares in the capital of the Company will require shareholders' approval.

    (b) Ordinary Resolution No. 9(ii) is to empower the directors to offer and grant awards, and to allot and issue new ordinary shares in the capital of the Company, pursuant to the SPH Performance Share Plan (which was approved by shareholders at the Extraordinary General Meeting held on 5 December 2006), provided that the aggregate number of new ordinary shares allotted and issued and/or to be allotted and issued, when aggregated with the existing ordinary shares (including ordinary shares held in treasury) delivered and/or to be delivered, pursuant to the Singapore Press Holdings Group (1999) Share Option Scheme and the SPH Performance Share Plan, shall not exceed 10 per cent. of the total number of issued ordinary shares in the capital of the Company (excluding ordinary shares held in treasury) from time to time.

    (c) Ordinary Resolution No. 9(iii) is to renew the mandate to permit the Company to purchase or acquire issued ordinary shares in the capital of the Company on the terms and subject to the conditions of the Resolution.

        The Company may use internal sources of funds, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of its ordinary shares. The amount of funding required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired and the price at which such ordinary shares were purchased or acquired and whether the ordinary shares purchased or acquired are held in treasury or cancelled.

        The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Buy Back Mandate on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 August 2012, based on certain assumptions, are set out in paragraph 2.6 of the Letter to Shareholders dated 1 November 2012, which is enclosed together with the Summary Financial Report.

* *Details of the Director's current directorships in other listed companies and other principal commitments are set out on pages 24 to 27 of the Annual Report.*

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Co Regn No: 198402868E)

Board of Directors:		**Registered Office:**
Lee Boon Yang	(Chairman and Independent Director)	1000 Toa Payoh North
Cham Tao Soon	(Deputy Chairman and Independent Director)	News Centre
Chan Heng Loon Alan	(Chief Executive Officer)	Singapore 318994
Bahren Shaari	(Independent Director)	
Willie Cheng Jue Hiang	(Independent Director)	
Chong Siak Ching	(Independent Director)	
Ngiam Tong Dow	(Independent Director)	
Ng Ser Miang	(Independent Director)	
Sum Soon Lim	(Independent Director)	
Tan Yen Yen	(Independent Director)	
Lucien Wong Yuen Kuai	(Independent Director)	
Yeo Ning Hong	(Independent Director)	1 November 2012

To: The Shareholders of
Singapore Press Holdings Limited

Dear Sir/Madam

APPOINTMENT OF AUDITORS

PricewaterhouseCoopers LLP have stated that they are not seeking re-appointment as Auditors of the Company at the forthcoming Annual General Meeting. The Directors wish to express their appreciation for the services rendered by PricewaterhouseCoopers LLP.

The Company has received notice of the nomination of KPMG LLP as Auditors and in accordance with Section 205(12) of the Companies Act, Chapter 50, a copy of that notice is attached.

Yours faithfully,
For and on behalf of the Board

Ginney Lim May Ling
Khor Siew Kim
Company Secretaries

3 October 2012

The Board of Directors
Singapore Press Holdings Limited
1000 Toa Payoh North
News Centre
Singapore 318994

Dear Sirs

Notice of Nomination

Pursuant to the provisions of Section 205 of the Companies Act, Chapter 50, I, Seow Choke Meng, in my capacity as a member of Singapore Press Holdings Limited ("SPH"), hereby give notice of my nomination of KPMG LLP of 16 Raffles Quay #22-00 Hong Leong Building, Singapore 048581 for appointment as Auditors of SPH in place of the retiring Auditors, PricewaterhouseCoopers LLP, at the forthcoming Annual General Meeting of SPH.

Yours faithfully

....

Seow Choke Meng (Mr)

proxy form

SINGAPORE PRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore) (Co Regn No: 198402868E)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Singapore Press Holdings Limited, this Report is forwarded to them FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____

of ____

being a member/members of the above named Company, hereby appoint the Chairman of the Meeting, or

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at The Auditorium, 1000 Toa Payoh North, News Centre, 1st Storey, Annexe Block, Singapore 318994 on November 30, 2012 at 10.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolution		To be used on a Show of Hands: For	To be used on a Show of Hands: Against	To be used in the event of a Poll: No. of votes For	To be used in the event of a Poll: No. of votes Against
	Ordinary Business					
1.	To adopt Directors' Report and Audited Financial Statements					
2.	To declare a Final Dividend and a Special Dividend					
3.	To re-appoint Directors pursuant to Section 153(6) of the Companies Act, Cap. 50	Cham Tao Soon				
4.	To re-elect Directors pursuant to Articles 111 and 112	(i) Chan Heng Loon Alan				
		(ii) Chong Siak Ching				
		(iii) Lucien Wong Yuen Kuai				
5.	To re-elect Directors pursuant to Article 115	(i) Bahren Shaari				
		(ii) Tan Yen Yen				
6.	To approve Directors' fees for the financial year ending 31 August 2013					
7.	To appoint Auditors and authorise Directors to fix their remuneration					
8.	To transact any other business					
	Special Business					
9.	(i) To approve the Ordinary Resolution pursuant to Section 161 of the Companies Act, Cap. 50					
	(ii) To authorise Directors to grant awards and to allot and issue shares in accordance with the provisions of the SPH Performance Share Plan					
	(iii) To approve the renewal of the Share Buy Back Mandate					

Dated this ______________ day of ______________ 2012

Total Number of Ordinary Shares held	
Total Number of Management Shares held	

____

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

proxy form

SINGAPORE PRESS HOLDINGS LIMITED **(Incorporated in the Republic of Singapore) (Co Regn No: 198402868E)**

IMPORTANT

Note:

1. Please insert the total number of ordinary shares and/or management shares ("Shares") held by you. If you have ordinary shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of ordinary shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have ordinary shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. If any proxy other than the Chairman of the Meeting is to be appointed, please strike out the words "the Chairman of the Meeting" and insert the name and address of the proxy desired in the box provided. If the box is left blank or incomplete, the Chairman of the Meeting shall be deemed to be appointed as your proxy.

3. A Member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

4. Where a Member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of ordinary shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Certification
This annual report is printed on FSC™-certified paper. By purchasing FSC™ products we foster management, which is controlled according to the strict social, ecological and economic criteria of the Forest Stewardship Council™.

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Singapore Press Holdings Limited

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