

## ANNUAL REPORT 2009

Star Publications (Malaysia) Berhad (10894-D)



[thestar.com.my](http://thestar.com.my)

# ON TRACK TO A BORDERLESS FUTURE



# Vision Statement

To be a leading media group

# Mission Statement


- To provide relevant, accurate and reliable information fairly and objectively
- To be the voice and conscience of the people
- To be innovative with our products
- To be a caring media group



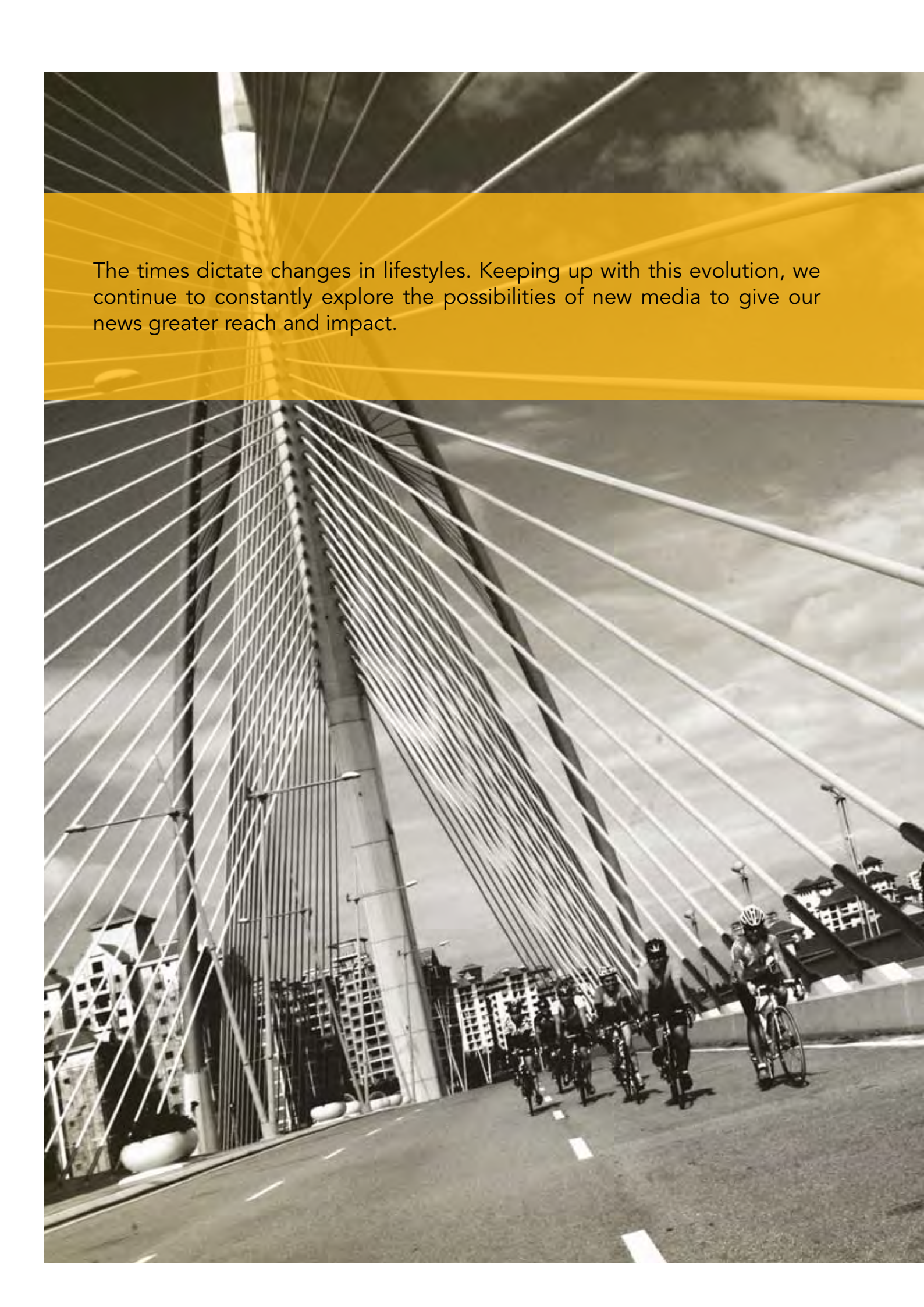
The Star, as a media group, is consistently transforming the way news is delivered across all platforms. By redefining the possibilities of media in print, over the airwaves and on the Internet, The Star continues to spearhead the digital revolution on the ever-expanding and evolving frontiers of communication.

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The times dictate changes in lifestyles. Keeping up with this evolution, we continue to constantly explore the possibilities of new media to give our news greater reach and impact.



TIMES ARE CHANGING  
AND SO ARE OUR  
WAYS OF GETTING  
NEWS ACROSS



# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-eighth Annual General Meeting of Star Publications (Malaysia) Berhad will be held at the Cyberhub, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 24 May 2010 at 10.00 a.m. for the transaction of the following business:

## AGENDA

### ORDINARY BUSINESS

- |  |              |
|--|--------------|
| 1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2009 together with the Auditors' Report thereon. | Resolution 1 |
| 2. To re-elect the following Directors who retire by rotation pursuant to Article 117 of the Company's Articles of Association:                                |              |
| a) Tan Sri Dato' Dr. Sak Cheng Lum   | Resolution 2 |
| b) Mr Ng Beng Lye  | Resolution 3 |
| 3. To re-elect Mr Tan Foong Luen who retires pursuant to Article 101 of the Company's Articles of Association.   | Resolution 4 |
| 4. To re-elect Datuk Seri Wong Chun Wai who retires pursuant to Article 101 of the Company's Articles of Association.  | Resolution 5 |
| 5. To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim, who is retiring pursuant to Section 129(6) of the Companies Act, 1965.                               | Resolution 6 |
| 6. To re-appoint Dato' Wira Syed Abdul Jabbar bin Syed Hassan, who is retiring pursuant to Section 129(6) of the Companies Act, 1965.                          | Resolution 7 |
| 7. To approve Directors' fees of up to RM385,000 for the year ended 31 December 2009.  | Resolution 8 |
| 8. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration.   | Resolution 9 |

### SPECIAL BUSINESS

As special business, to consider and if thought fit, to pass the following Ordinary Resolutions:

9. **ORDINARY RESOLUTION  
PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time and from time to time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

Resolution 10

## Notice of Annual General Meeting

### 10. ORDINARY RESOLUTION

#### PROPOSED RENEWAL OF AUTHORITY FOR STAR PUBLICATIONS (MALAYSIA) BERHAD TO PURCHASE ITS OWN SHARES

“**THAT** subject always to the Companies Act, 1965 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Memorandum and Articles of Association, Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company’s issued and paid-up ordinary share capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and / or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:
  - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
  - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

**AND THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (aa) cancel all the shares so purchased; and / or
- (bb) retain the shares so purchased in treasury for distribution as dividend to the shareholders and / or resell on the market of Bursa Securities; and / or
- (cc) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

## Notice of Annual General Meeting

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of a depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and / or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company.”

Resolution 11

11. To consider any other business of which due notice has been given.

BY ORDER OF THE BOARD

**ONG WEI LYMN** (MAICSA 0826394)  
Company Secretary

30 April 2010

### Note

*A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.*

*In the case of a corporation, the instrument appointing the proxy must be under its Common Seal or under the hand of its Attorney.*

*The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 15, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the meeting or any adjournment thereof.*

## EXPLANATORY NOTE ON SPECIAL BUSINESS

### Resolution No. 10

The Company is continuously exploring strategic considerations to broaden its operating base and earnings potential and such plans may involve the issue of new shares. The Directors, under present circumstances would have to call for a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital. In order to avoid any delay and cost in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be now authorised to issue new shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the next Annual General Meeting of the Company.

### Resolution No. 11

The explanatory notes on Resolution No. 11 are set out in the Statement to Shareholders dated 30 April 2010 accompanying the Company's Annual Report for year 2009.



# Financial Calendar

FINANCIAL YEAR 1 January 2009 to 31 December 2009

## ANNOUNCEMENT OF 2009 PRELIMINARY RESULTS

|                |           |                  |
|----------------|-----------|------------------|
| First quarter  | announced | 26 May 2009      |
| Second quarter | announced | 30 July 2009     |
| Third quarter  | announced | 5 November 2009  |
| Fourth quarter | announced | 11 February 2010 |

## DIVIDEND

|                            |                  |                   |
|----------------------------|------------------|-------------------|
| First Interim and Special  | declared         | 30 July 2009      |
|                            | entitlement date | 30 September 2009 |
|                            | paid on          | 16 October 2009   |
| Second Interim and Special | declared         | 11 February 2010  |
|                            | entitlement date | 31 March 2010     |
|                            | paid on          | 16 April 2010     |

|                             |               |
|-----------------------------|---------------|
| ISSUE OF 2009 ANNUAL REPORT | 30 April 2010 |
|-----------------------------|---------------|

|                        |             |
|------------------------|-------------|
| ANNUAL GENERAL MEETING | 24 May 2010 |
|------------------------|-------------|

# Group's Five-Year Summary

## As at 31 December

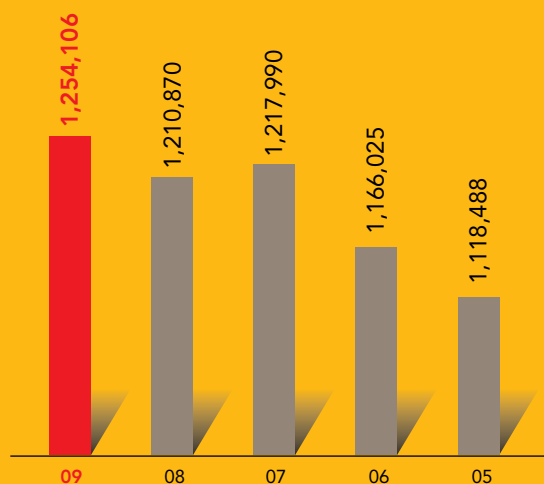
|                                      | 2005<br>RM'000   | 2006<br>RM'000   | 2007<br>RM'000   | 2008<br>RM'000   | 2009<br>RM'000   |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>CONSOLIDATED BALANCE SHEETS</b>   |                  |                  |                  |                  |                  |
| Fixed assets                         | 764,187          | 713,152          | 680,206          | 656,681          | <b>642,880</b>   |
| Other assets                         | 55,228           | 30,820           | 25,771           | 73,559           | <b>130,011</b>   |
| Net current assets                   | 612,195          | 748,909          | 842,533          | 833,140          | <b>636,688</b>   |
|                                      | <b>1,431,610</b> | <b>1,492,881</b> | <b>1,548,510</b> | <b>1,563,380</b> | <b>1,409,579</b> |
| Share capital                        | 368,433          | 738,564          | 738,564          | 738,564          | <b>738,564</b>   |
| Treasury shares                      | -                | -                | -                | -                | <b>(225)</b>     |
| Share premium                        | 301,522          | -                | -                | -                | <b>-</b>         |
| Capital reserve                      | -                | -                | -                | -                | <b>149</b>       |
| Foreign exchange fluctuation reserve | 14,680           | 14,211           | 18,505           | (1,226)          | <b>24,771</b>    |
| Retained earnings                    | 433,853          | 413,250          | 460,921          | 473,532          | <b>490,847</b>   |
| Shareholders' funds                  | <b>1,118,488</b> | <b>1,166,025</b> | <b>1,217,990</b> | <b>1,210,870</b> | <b>1,254,106</b> |
| Minority interest                    | -                | -                | 1,066            | 23,117           | <b>28,778</b>    |
| Long term and deferred liabilities   | 313,122          | 326,856          | 329,454          | 329,393          | <b>126,695</b>   |
| Total funds employed                 | <b>1,431,610</b> | <b>1,492,881</b> | <b>1,548,510</b> | <b>1,563,380</b> | <b>1,409,579</b> |

## Year ended 31 December

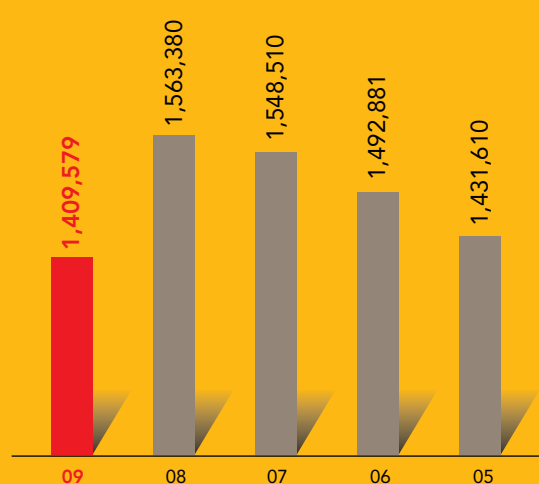
|   | 2005<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000   |
|---|----------------|----------------|----------------|----------------|------------------|
| <b>CONSOLIDATED INCOME STATEMENTS</b>         |                |                |                |                |                  |
| Revenue                                       | 713,607        | 723,564        | 805,865        | 831,040        | <b>973,921</b>   |
| Profit before tax                             | 191,713        | 195,215        | 223,366        | 201,463        | <b>197,155</b>   |
| Tax expense                                   | (36,245)       | (34,128)       | (54,485)       | (62,762)       | <b>(47,522)</b>  |
| Profit after tax                              | 155,468        | 161,087        | 168,881        | 138,701        | <b>149,633</b>   |
| Minority interest                             | -              | -              | 284            | 204            | <b>(4,922)</b>   |
| Profit after tax attributable to shareholders | <b>155,468</b> | <b>161,087</b> | <b>169,165</b> | <b>138,905</b> | <b>144,711</b>   |
| Dividends                                     | (107,179)      | (116,693)      | (121,494)      | (126,294)      | <b>(127,396)</b> |
| Retained earnings for the year                | <b>48,289</b>  | <b>44,394</b>  | <b>47,671</b>  | <b>12,611</b>  | <b>17,315</b>    |

## Group's Five-Year Summary

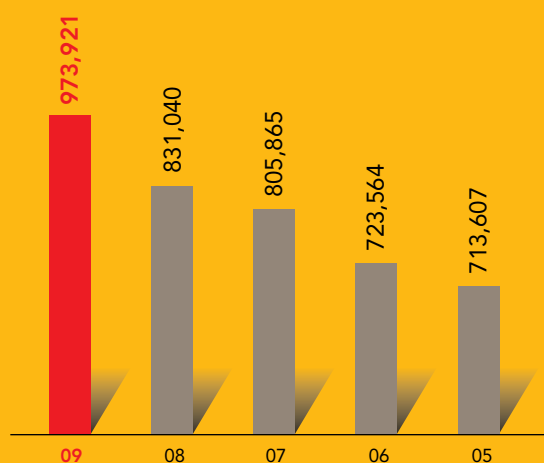
**SHAREHOLDERS' FUNDS (RM'000)**



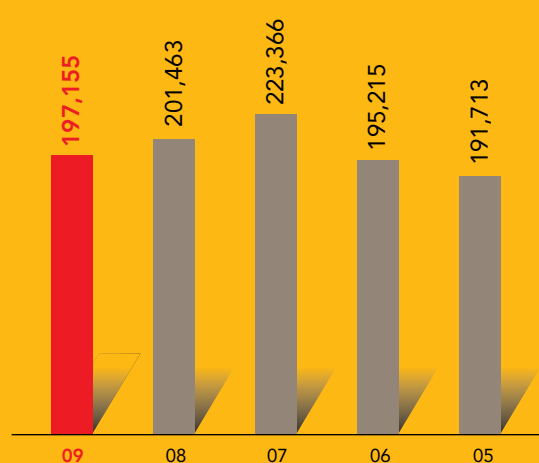
**TOTAL FUNDS EMPLOYED (RM'000)**



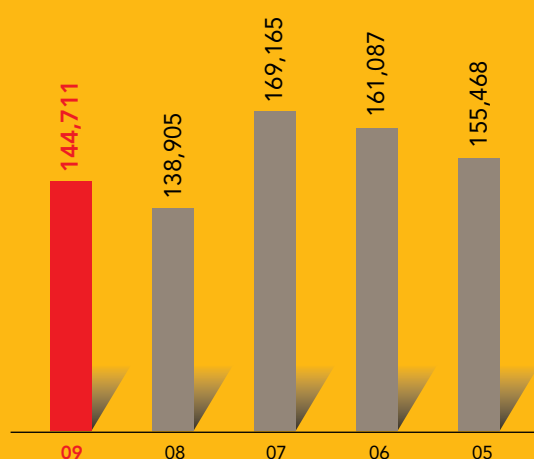
**REVENUE (RM'000)**



**PROFIT BEFORE TAX (RM'000)**



**PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS (RM'000)**





# Group's Financial Highlights

as at 31 December

|  |     | 2005<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000   |
|--|-----|----------------|----------------|----------------|----------------|------------------|
| <b>Revenue</b>                                       |     | 713,607        | 723,564        | 805,865        | 831,040        | <b>973,921</b>   |
| <b>Profit before tax</b>                             |     | 191,713        | 195,215        | 223,366        | 201,463        | <b>197,155</b>   |
| <b>Profit after tax attributable to shareholders</b> |     | 155,468        | 161,087        | 169,165        | 138,905        | <b>144,711</b>   |
| <b>Paid-up capital</b>                               |     | 368,433        | 738,564        | 738,564        | 738,564        | <b>738,564</b>   |
| <b>Shareholders' funds</b>                           |     | 1,118,488      | 1,166,025      | 1,217,990      | 1,210,870      | <b>1,254,106</b> |
| <b>Financial ratios</b>                              |     |                |                |                |                |                  |
| <b>Revenue growth</b>                                | %   | 3.0            | 1.4            | 11.4           | 3.1            | <b>17.2</b>      |
| <b>Net earnings per share #</b>                      | sen | 22.29*         | 21.81          | 22.90          | 18.81          | <b>19.59</b>     |
| <b>Return on shareholders' funds</b>                 | %   | 13.9           | 13.8           | 13.9           | 11.5           | <b>11.5</b>      |
| <b>Dividend per share - Gross</b>                    | sen | 40.0           | 20.0           | 20.5           | 21.0           | <b>21.0</b>      |
| <b>Net assets per share ^</b>                        | RM  | 1.52*          | 1.58           | 1.65           | 1.64           | <b>1.70</b>      |

\* Adjusted for bonus issue of 1:1 made during the year ended 31 December 2006.

^ Computed based on net number of outstanding paid-up capital.

# Computed based on adjusted weighted average number of ordinary shares.

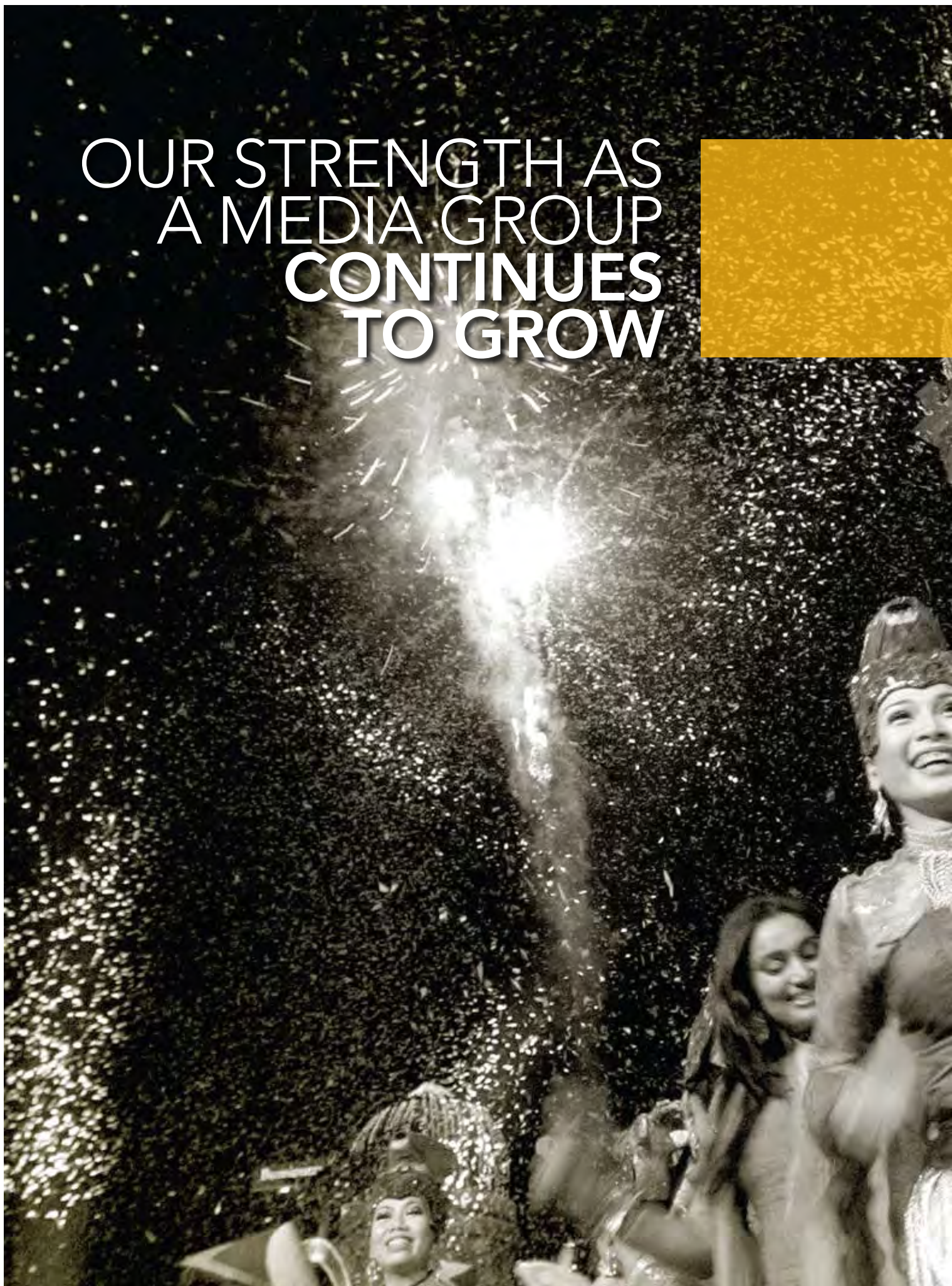
# Consolidated Cash Flow Summary

|  | 2005<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Cash Flows from Operating Activities</b>                        |                |                |                |                |                |
| Net Cash from Operating Activities *                               | 258,505        | 180,173        | 230,428        | 159,045        | 337,515        |
| <b>Cash Flows from Investing Activities</b>                        |                |                |                |                |                |
| Net Cash (used in) / from Investing Activities *                   | (175,608)      | 53,781         | 33,269         | (73,994)       | (69,753)       |
| <b>Cash Flows from Financing Activities</b>                        |                |                |                |                |                |
| Net Cash from / (used in) Financing Activities *                   | 88,607         | (127,031)      | (134,094)      | (104,189)      | (140,743)      |
| <b>Cash and Cash Equivalents as at beginning of financial year</b> | 245,553        | 416,346        | 523,699        | 658,076        | 621,556        |
| <b>Effect of Change In Exchange Rates</b>                          | (711)          | 430            | 4,774          | (17,382)       | 24,654         |
| <b>Cash and Cash Equivalents as at end of financial year</b>       | 416,346        | 523,699        | 658,076        | 621,556        | 773,229        |
| <b>Cash and Cash Equivalents comprise the following:</b>           |                |                |                |                |                |
| Cash and Bank Balances   | 24,568         | 34,060         | 34,836         | 55,409         | 101,145        |
| Short Term Deposits  | 391,778        | 489,639        | 623,240        | 566,147        | 672,084        |
|  | 416,346        | 523,699        | 658,076        | 621,556        | 773,229        |


\* Comparative figures for 2005 - 2006 have been restated to conform with the current year's presentation.



OUR STRENGTH AS  
A MEDIA GROUP  
CONTINUES  
TO GROW







Challenges keep us sharp. As we passionately strive for improvement, we take adversity in our stride and are prepared to face all challenges as a team.

# Corporate Information

## BOARD OF DIRECTORS

Dato' Clement Hii Chii Kok  
(Executive Deputy Chairman)

Datin Linda Ngiam Pick Ngoh  
(Group Managing Director / Chief Executive Officer)

Tan Sri Datuk Seri Kamal Mohamed Hashim  
(Executive Director)

Mr Ng Beng Lye  
(Executive Director)

Datuk Seri Wong Chun Wai  
(Executive Director / Group Chief Editor)

Datuk Leong Tang Chong

Dato' Wira Syed Abdul Jabbar bin Syed Hassan

Dato' Dr. Mohd Aminuddin bin Mohd Rouse

Tan Sri Dato' Dr. Sak Cheng Lum

Mr Foo San Kan

Mr Tan Foong Luen

## AUDIT COMMITTEE

Mr Foo San Kan \*  
(Chairman)

Dato' Wira Syed Abdul Jabbar bin Syed Hassan \*  
(Member)

Tan Sri Dato' Dr. Sak Cheng Lum \*  
(Member)

\* Independent Non-Executive Director

## SECRETARY

Ong Wei Lymn (MAICSA 0826394)

## AUDITORS

BDO (AF:0206)  
Chartered Accountants  
12th Floor, Menara Uni.Asia  
1008 Jalan Sultan Ismail, 50250 Kuala Lumpur

Tel : 03-2616 2888  
Fax : 03-2616 3190

## REGISTERED OFFICE

Level 15, Menara Star  
15 Jalan 16/11  
46350 Petaling Jaya  
Selangor Darul Ehsan

Tel : 03-7967 1388  
Fax : 03-7954 6752

## BANKERS

Public Bank Berhad  
RHB Bank Berhad  
Citibank Berhad  
Standard Chartered Bank Malaysia Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad

## REGISTRAR

Tricor Investor Services Sdn Bhd  
(formerly known as Tenaga Koperat Sdn Bhd)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur

Tel : 03-2264 3883  
Fax : 03-2282 1886

## STOCK EXCHANGE LISTING

The Main Market of the Bursa Malaysia Securities Berhad





## Board of Directors

### **Seated** (from left to right):

**TAN SRI DATUK SERI KAMAL MOHAMED HASHIM**  
Executive Director

**DATO' CLEMENT HII CHII KOK**  
Executive Deputy Chairman

**DATIN LINDA NGIAM PICK NGOH**  
Group Managing Director / Chief Executive Officer

### **Standing** (from left to right):

**DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN**  
Independent Non-Executive Director

**MR FOO SAN KAN**  
Senior Independent Non-Executive Director

**MR NG BENG LYE**  
Executive Director

**TAN SRI DATO' DR. SAK CHENG LUM**  
Independent Non-Executive Director

**DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE**  
Independent Non-Executive Director

**MR TAN FOONG LUEN**  
Independent Non-Executive Director

**DATUK LEONG TANG CHONG**  
Non-Independent Non-Executive Director

**DATUK SERI WONG CHUN WAI**  
Executive Director / Group Chief Editor





## Board of Directors



**DATO' CLEMENT HII CHII KOK**  
Executive Deputy Chairman

Dato' Clement Hii, aged 52, was appointed a Non-Independent Non-Executive Director of Star on 5 January 2009 and redesignated to Executive Deputy Chairman on 13 January 2009. He is also a member of the Finance Committee.

Dato' Hii graduated with a Bachelor of Laws (Hons) degree from the United Kingdom and was conferred the Honorary Doctorate in Business Administration (Hon DBA) by the University of Sunderland, UK and Honorary Doctorate in Law (Hon LLD) by his alma mater the University of Wolverhampton, UK.

He is a former journalist holding positions in several local newspapers, including as Chief Editor of Borneo's leading English daily, "The Borneo Post". He had also served in senior positions in advertising, marketing and management firms. Dato' Hii currently acts as advisor to several charitable foundations and sits on the board of a number of unlisted companies.

Dato' Hii is also a board member of listed SEG International Bhd, where he holds the position of Group Managing Director. He is also a trustee in Star Foundation.

He attended all seven Board Meetings held during the financial year ended 31 December 2009 after his appointment on 5 January 2009.

Dato' Hii does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

## Board of Directors



**DATIN LINDA NGIAM PICK NGOH**  
Group Managing Director / Chief Executive Officer

Datin Linda, aged 54, was appointed to the Board on 1 March 2007 and was appointed as Group Managing Director / Chief Executive Officer on 1 July 2008. She served as Deputy Group General Manager from 2004 until her appointment as Group Chief Operating Officer in Star in 2005. Prior to this, she was General Manager, Advertising & Business Development (1985 - 2003).

Datin Linda holds a Bachelor of Arts degree majoring in Social Sciences from the University of Malaya and a Diploma in Advertising and Marketing from the Institute of Communication, Advertising and Marketing (CAM), United Kingdom.

She was a Board Member of the Audit Bureau of Circulation (ABC) Malaysia and Chairman of the Audit Bureau of Circulation (ABC) Content & Communications Committee and currently the honorary secretary of Malaysian Newspaper Publishers Associated (MNPA) and board member of the Advertising Standard Authority Malaysia (ASA).

Datin Linda is presently the Chairman of Cityneon Holdings Ltd, Singapore.

She attended all eight Board Meetings held during the financial year ended 31 December 2009.

Datin Linda Ngiam does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. She has had no convictions for any offences within the past 10 years.



**TAN SRI DATUK SERI KAMAL MOHAMED HASHIM**  
Executive Director

Tan Sri Datuk Seri Kamal, aged 71, was a businessman prior to his appointment as Executive Director of Star. He was appointed to the Board on 26 May 1973. Prior to his position as Executive Director in Star, he was a Director who served as Personnel and Administration Manager, Northern Regional Sales Manager including advertisement sales and was appointed Regional Director in 1984.

Among his community roles, Tan Sri Datuk Seri Kamal is currently Chairman of Crime Prevention Foundation of Penang. He is one of the trustees of Yayasan Budi Penyayang Malaysia (Penyayang) and is also Chairman of Rumah Mesra Kanak-Kanak. He was Chairman of the Penang Association of Justice of Peace from 1993 to 2001 and was Chairman of the Penang General Hospital's Board of Visitors for about ten years.

He is the Deputy Chairman of Unimech Group Berhad and Honorary Chairman of Henry Butcher Malaysian Ventures Sdn Bhd. He is Honorary Consul of the Royal Netherlands Embassy in the states of Kedah, Penang, Perak and Perlis.

He attended all eight Board Meetings held during the financial year ended 31 December 2009.

Tan Sri Datuk Seri Kamal does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

## Board of Directors



**MR NG BENG LYE**  
Executive Director

Mr Ng Beng Lye, aged 48, was appointed as a Non-Independent Non-Executive Director of Star on 5 January 2009 and redesignated as Executive Director on 13 January 2009.

He graduated from Waseda University, Japan with a Bachelor of Arts (Hons) degree in Political Science in 1993 and obtained his master's degree in 1995.

He started his career as Assistant Chief Reporter with Kin Kwok Daily News in 1985 and moved on to be the General Manager of The China Press Berhad in 1997. He joined Expomal Network Sdn Bhd as an Executive Director (2001 - 2003) and was later appointed as the Managing Director of Oriental Daily Marketing Sdn Bhd (2003 - 2007). Mr Ng was Executive Director of Nature Environment Products Sdn Bhd (2007 - 2008).

Mr Ng is also a director of Cityneon Holdings Ltd, Singapore.

He attended all seven Board Meetings held during the financial year ended 31 December 2009 after his appointment on 5 January 2009.

Mr Ng does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



**DATUK SERI WONG CHUN WAI**  
Executive Director / Group Chief Editor

Datuk Seri Wong, aged 49, was appointed as an Executive Director of Star on 11 March 2010 and has served the company for over 25 years. He began his career as a journalist in Penang and has served in various capacities and is currently the Group Chief Editor.

Datuk Seri Wong holds a Bachelor of Arts degree from Universiti Kebangsaan Malaysia, majoring in political science and history. He has attended financial and leadership development programmes organised by the International Centre For Leadership In Finance (ICLIF) at several American universities including the University of Stanford and University of Southern California. He is also an advisory panel member of the UKM Graduate School of Business and a board member of Bernama, the national news agency. He is also a member of the Corruption Consultation and Prevention panel of the Malaysian Anti-Corruption Commission.

He did not attend any of the Board Meetings held during the financial year ended 31 December 2009 since his appointment was only effected on 11 March 2010.

Datuk Seri Wong Chun Wai does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

## Board of Directors



**DATUK LEONG TANG CHONG**  
Non-Independent Non-Executive Director

Datuk Leong, aged 66, was appointed as a Non-Executive Director of Star on 6 December 1995 and appointed as Chairman of the Board of Directors on 25 February 2009. He was redesignated as Non-Independent Non-Executive Director on 5 November 2009.

Datuk Leong obtained his Certificate in Teaching from the Malayan Teachers' College. He subsequently obtained a Bachelor of Laws from the Victoria University of Wellington, New Zealand in 1979 and passed the New Zealand Law Professional Examination in 1980. He was admitted as a Barrister and Solicitor of the High Court of New Zealand in 1981 and as a Barrister and Solicitor of the Supreme Court of Australia Capital Territory, Australia in 1988. Subsequently in 1989, he was appointed as a Commissioner for Oaths by the Supreme Court of Malaysia. He was admitted as an Advocate Solicitor of the High Court of Malaya in January 1982 and has been practicing law since then.

Datuk Leong is also a Non-Executive Director of a number of private limited companies.

He attended all eight Board Meetings held during the financial year ended 31 December 2009.

Datuk Leong does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



**DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN**  
Independent Non-Executive Director

Dato' Wira Syed Abdul Jabbar, aged 70, was appointed as a Non-Executive Director of Star on 28 August 1996. He is also a member of the Audit, Nomination and Remuneration Committees of the Company.

He has a degree in economics from the University of Western Australia and Masters in Science Marketing from the University of Newcastle-Upon-Tyne, United Kingdom.

Dato' Wira Syed Abdul Jabbar is currently the Chairman of MMC Corporation Berhad. He is also a director of KAF Discounts Berhad and Aliran Ihsan Resources Bhd, Chairman of Padi Beras Nasional Berhad, Chairman of Tradewinds Plantations Bhd, Chairman of Tradewinds (M) Bhd and Chairman of the MARDEC Bhd group of companies.

Previously, he was the Chief Executive Officer of the Kuala Lumpur Commodity Exchange (KLCE), Executive Chairman of Malaysia Monetary Exchange (MME) and Executive Chairman of the Commodity & Monetary Exchange (COMMEX).

He attended all eight Board Meetings held during the financial year ended 31 December 2009.

Dato' Wira Syed Abdul Jabbar does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



## Board of Directors



**DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE**  
Independent Non-Executive Director

Dato' Dr. Mohd Aminuddin, aged 64, was appointed as a Non-Executive Director of Star on the 23 July 1997. He is also a member of the Nomination, Remuneration and Finance Committees of the Company.

Dato' Dr. Mohd Aminuddin obtained his Bachelor of Science (Honours) in Biochemistry from the University of Malaya in 1969 and his PhD in Agricultural Chemistry from the University of Adelaide in 1974.

He began his career as the Head and lecturer at the Department of Biochemistry and Microbiology at Universiti Pertanian Malaysia from 1969 until 1979, and subsequently became the professor of Biochemistry and Deputy Dean in 1977. He then joined the Guthrie Berhad Group as the Controller of the Research and Development Division for 5 years before becoming the Director of the Manufacturing and Agribusiness in 1989 till 1993.

Dato' Dr. Mohd Aminuddin joined the Berjaya Group Berhad as the Group Director for a year in 1994. He subsequently became the Group Chief Executive Officer of Konsortium Perkapalan Berhad cum President and Chief Executive Officer of PSNL Berhad. In November 1997, he assumed the position of Executive Chairman, Indah Water Konsortium Sdn Bhd until the end of his tenure in October 2000 and was President & Chief Executive Officer of Malaysian Technology Development Corporation Sdn Bhd until December 2002. He retired as a director from Konsortium Logistics Bhd in 2007.

Presently, he is a director of Ajiya Bhd, Tanco Holdings Bhd, Karambrunai Corp Bhd and a trustee of Star Foundation.

He attended all eight Board Meetings held during the financial year ended 31 December 2009.

Dato' Dr. Mohd Aminuddin does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



**TAN SRI DATO' DR. SAK CHENG LUM**  
Independent Non-Executive Director

Tan Sri Dato' Dr. Sak, aged 65, was appointed as a Non-Executive Director of Star on 1 November 2001. He is also a member of the Audit and Nomination Committees of the Company.

He graduated with a degree in Medicine from the University of Singapore in 1968, and served as a medical officer in the Government service until 1972, when he ventured into private practice. He was elected as the State Assemblyman for Bagan Jermal in Penang in 1978 and was re-elected in 1982, 1986, 1995 and 1999. He also served as Penang State Executive Councillor for two terms, between 1986 to 1990 and 1995 to 1999. Between 1990 to 1995, he was appointed as a Senator and Parliamentary Secretary, Ministry of Domestic Trade and Consumer Affairs.

Tan Sri Dato' Dr. Sak also sits on the board of A&M Realty Berhad and HIL Industries Berhad.

He attended seven out of the eight Board Meetings held during the financial year ended 31 December 2009.

Tan Sri Dato Dr. Sak does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

## Board of Directors



**MR FOO SAN KAN**

Senior Independent Non-Executive Director

Mr Foo, aged 61, was appointed as an Independent Non-Executive Director of Star on 22 January 2009 and was appointed as Chairman of the Audit Committee on the same day. He is also a member of the Remuneration Committee.

Mr Foo is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants, a fellow of the Institute of Chartered Accountants in England and Wales, as well as the Chartered Tax Institute of Malaysia.

He was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has 34 years of experience in the accounting profession of which 30 years were spent in various positions in Ernst & Young in the offices in both Peninsular and East Malaysia. During the course of his career, he was involved in various industrial sectors and his professional experience covers almost all aspects of the accounting profession.

Other directorships of listed companies held by Mr Foo include Symphony House Berhad, Allianz Malaysia Berhad, OSK Ventures International Berhad, OSK Holdings Berhad, SEG International Berhad and those of unlisted companies are OSK Trustees Berhad, OSK Investment Bank Berhad, Allianz Life Insurance Berhad and Allianz General Insurance Company (Malaysia) Berhad.

He attended all five Board Meetings held during the financial year ended 31 December 2009 after his appointment on 22 January 2009.

Mr Foo does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.



**MR TAN FOONG LUEN**

Independent Non-Executive Director

Mr Tan, aged 62, was appointed as an Independent Non-Executive Director of Star on 31 July 2009.

Mr Tan is a science graduate from the University of Malaya. He started his working career as a teacher for a few years, after which he left for the United Kingdom to read his Law degree at the University of Buckingham and was called to the English Bar at Lincoln's Inn, London in 1985.

He was admitted to the Malaysian Bar in 1986 and has been in active legal practice since then. He is the Managing Partner of a legal firm with offices in Seremban and Kuala Lumpur.

Mr Tan is also active in the social and political arena and has served as a Seremban Municipal Councillor and sits on various charitable, social and church organisations. He represented Negeri Sembilan and Malaysia at hockey in the 1970s.

He attended the one Board Meeting held during the financial year ended 31 December 2009 after his appointment on 31 July 2009.

Mr Tan does not have any family relationship with any director and / or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.





Technology determines the nature of media. By evolving with the trends of the times and embracing change, we are able to thrive in our fast-paced world.







OUR FUTURE LIES IN  
OUR ABILITY TO FORGE  
AHEAD IN NEW MEDIA  
FRONTIERS



## Senior Management Team



### **Senior Management** *(from left to right)*

Tan Sri Datuk Seri Kamal Mohamed Hashim (Executive Director)

Datuk Seri Wong Chun Wai (Executive Director / Group Chief Editor)

Dato' Clement Hii Chii Kok (Executive Deputy Chairman)

Mr Ng Beng Lye (Executive Director)

Datin Linda Ngiam Pick Ngoh (Group Managing Director / Chief Executive Officer)

## Senior Management Team



**Editorial** (from left to right)

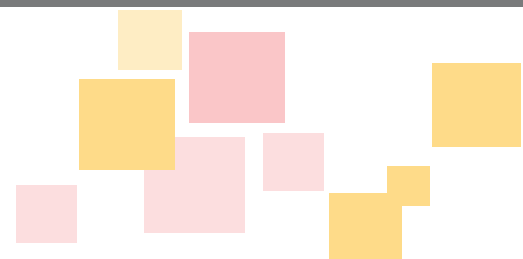
David Yeoh Phee Lip (Deputy Group Chief Editor (I))

June Wong Har Leng (Managing Editor)

Datuk Seri Wong Chun Wai (Executive Director / Group Chief Editor)

Leanne Goh Lee Yen (Deputy Group Chief Editor (II))

P. Gunasegaram (Managing Editor)



## Senior Management Team



**Non Editorial** (from left to right)

Richard Ong Kuee Hwa (Group General Manager, Broadcasting)

Henry Ng Weng Onn (Group General Manager, Operations)

Calvin Kan King Seong (Group General Manager, Business (Print & New Media))



**Non Editorial** (from left to right)

Damodaran Gopalan (General Manager, Circulation & Audience Development)

Khoo Khay Heong (General Manager, IT & Pre Media)

Iris Tan Kok Foong (General Manager, Marketing Services)

Ragesh Rajendran (Senior Manager, Finance)



## Senior Management Team



### **Non Editorial** (from left to right)

Pang Ah Leck (Senior Manager, Internal Audit)

Tn Haji Mohamed Hassan Bin Mohamed Ali (Senior Manager, Production)

Choy Kum Wah (Senior Manager, Engineering & Building / Property Services)



### **Non Editorial** (from left to right)

Sin Poh Yin (Manager, Security & Transport)

Henry Asokan (Manager, Human Resources & Administration)

Chung Chok Yin (Regional Manager, Operations (North))

## Senior Management Team



### **Subsidiaries** (from left to right)

Yusry Abu Samah (Chief Broadcasting Officer, Suria FM)  
 Davin Arul (Vice President, New Media)  
 Lim Cheng Hee (Chief Executive Officer, Red FM)  
 Wong Lai Ngo (Chief Executive Officer, 988)  
 Ko Chee Wah (Group Managing Director, Cityneon Holdings Ltd, Singapore)  
 Roshan Thiran (Chief Executive Officer, Leaderonomics Sdn Bhd)

# Corporate Governance Statement

for the financial year ended 31 December 2009

The Board of Directors fully appreciates the importance of adopting high standards of corporate governance within the Group. The Board views corporate governance as synonymous with three key concepts, namely transparency, accountability as well as corporate performance and acknowledges its role in stewardship of the Group in its direction and operation to protect and enhance shareholder value. The objective of creating shareholder value is achieved by adopting strategies to strengthen the profitable core business and to build possible business adjacencies that leverage on its strength. The Group's core business is in publication of news and information and the strategies are to strongly lead the field.

The Board totally supports the prescriptions and recommendations of the principles and best practices set out in Parts 1 and 2 of the Malaysian Code of Corporate Governance respectively ("Code"). The Board believes that an explicit statement of its strategic purpose, in redefining its central core, is very much a part of corporate governance.

The Board is therefore pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial period. The Board is of the opinion that it has in all material aspects, complied with the principles and best practices outlined in the Code.

## 1. The Board

Pending the appointment of a new Chairman, the Group is currently led by the Executive Deputy Chairman and Group Managing Director / Chief Executive Officer and each has a clearly accepted division of responsibilities. Both the Executive Deputy Chairman and Group Managing Director / Chief Executive Officer are responsible for the day-to-day running of the businesses and implementation of Board policies and decisions.

Mr Foo San Kan is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The Board comprises five (5) Executive Directors and six (6) Non-Executive Directors, five (5) of whom are Independent Non-Executive Directors within the meaning of Chapter 1.01 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements"). The composition of the Board is in compliance with the Listing Requirements which require at least one-third (1/3) of the Board to be independent directors.

The Board's composition of Executive Directors and Non-Executive Directors including the Independent Non-Executive Directors ensures that no individual or small group of individuals dominates the Board decision making.

The Board has within it, professionals drawn from varied backgrounds, bringing in-depth and diversity in experience, expertise and perspectives to the Group's business operations. The profiles of the members of the Board are set out in this Annual Report on pages 15 to 21.

The Board considers the current number of Directors and the mix of experience and expertise of the present members of the Board sufficient.

The Directors have full and timely access to information with Board papers distributed in advance of meetings. Every director has access to the advice and services of the Company Secretary.

All Directors, whether as a full board or in their individual capacity, could take independent professional advice, where necessary, in furtherance of their duties, at the Company's expense. The procedures for obtaining such advice are in place.

The Board recognises the value and contributions of employees of the Group. In this respect, continuous effort is made to enhance the development of employees, which includes steps to ensure capable leaders are nurtured for the orderly succession of management.

## 2. Board Meetings

The Board meets at least 4 times a year and has a formal schedule of matters reserved to it. The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results prior to releasing them to Bursa Securities. Additional meetings are held as and when required. The Board and its committees are supplied with full and timely information to enable them to discharge their responsibilities. During these meetings, the Board also appraises new investment along with business proposals, reviews the management as well as performance of the businesses and existing investments and any other strategic issues that affect or may affect the Group.



# Corporate Governance Statement

for the financial year ended 31 December 2009

During the financial year, the Board met 8 times whereat it deliberated and considered a variety of matters including the Group's financial results, major investment and strategic decisions, the business plan and direction of the Group. The Board receives comprehensive Board papers that encompass all aspects of the matters being considered enabling them to look at both the quantitative and qualitative factors so that informed decisions are made.

The attendance of the Directors at the Board Meetings is as set out in the Directors' Profiles which appear from pages 15 to 21 of this Annual Report.

## 3. Re-election of Directors

At least one-third of the Directors are required to retire by rotation each financial year in accordance with the Company's Articles of Association and can offer themselves for re-election at the Annual General Meeting. Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders at the next annual general meeting following their appointment.

A Director who is over 70 years old is required to submit himself or herself for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

## 4. Directors' Training

All Directors except for Datuk Seri Wong Chun Wai who was appointed to the Board on 11 March 2010 have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd. The Board acknowledges the importance of continuous education and during the financial year 2009, various directors have attended seminars on their own on relevant issues such as:

1. Corporate Governance Guide - Toward Boardroom Excellence;
2. Board Effectiveness and Managing Risk;
3. Corporate Governance - The Role of Audit Committee;
4. The Global Financial Crisis; Implications For Corporate Governance in Asia;
5. 3D Negotiation; A Strategic Tool For Board and Senior Executives;
6. Key Obligations Under the Listing Requirements of Bursa Malaysia Securities Bhd and Expectations of Directors;
7. Financial Industry Conference 2009.

In addition, the full Board is updated regularly on regulatory and industry developments during meetings. During the year under review, invited specialists spoke to the full Board on developments in the accounting standards particularly on FRS 7, FRS 132 and FRS 139.

All Directors are provided with the opportunity to familiarise themselves with the operations and businesses of the Group.

## 5. Directors' Remuneration

The Remuneration Committee recommends to the Board the framework for the remuneration of the Executive and Non-Executive Directors. Directors' fees are subject to shareholders' approval. Additional allowances are paid to Non-Executive Directors in accordance to the number of meetings attended during the year. Non-Executive Directors are also paid an annual allowance for each Board Committee they are a member of.

Directors' remuneration for the financial year is as follows:

|                                   | Executive<br>RM  | Non-Executive<br>RM | TOTAL<br>RM       |
|-----------------------------------|------------------|---------------------|-------------------|
| Directors' fees                   | -                | 338,438             | 338,438           |
| Salaries / incentives             | 7,718,704        | -                   | 7,718,704         |
| Employers' contribution to EPF    | 1,030,492        | -                   | 1,030,492         |
| Allowances / Committee Allowances | -                | 255,301             | 255,301           |
| Benefits-in-kind                  | 509,510          | 336,852             | 846,362           |
| <b>Total</b>                      | <b>9,258,706</b> | <b>930,591</b>      | <b>10,189,297</b> |

# Corporate Governance Statement

for the financial year ended 31 December 2009

The number of Directors in each remuneration band for the financial year are as follows:

| Range of Remuneration      | Executive Directors | Non-Executive Directors |
|----------------------------|---------------------|-------------------------|
| RM1,000 to RM50,000 *      |                     | 2                       |
| RM50,001 to RM100,000 *    |                     | 2                       |
| RM100,001 to RM150,000     |                     | 4                       |
| RM150,001 to RM200,000     |                     | 1                       |
| RM300,000 to RM350,000     | 1                   |                         |
| RM700,001 to RM750,000 *   | 1                   |                         |
| RM1,150,000 to RM1,200,000 | 1                   |                         |
| RM1,800,001 to RM1,850,000 | 1                   |                         |
| RM5,250,000 to RM5,300,000 | 1                   |                         |
|                            | 5                   | 9                       |

The above disclosure format meets the requirements of Item 11 of Appendix 9C Part A of the Listing Requirements.

\* Including Directors who resigned during the year.

## 6. Board Committees

### 6.1 Audit Committee

The Audit Committee comprises 3 Non-Executive Directors, all of whom, including the Chairman, are Independent Non-Executive Directors. The members are:

1. Mr Foo San Kan (Senior Independent Non-Executive Director) - Chairman
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan (Independent Non-Executive Director)
3. Tan Sri Dato' Dr. Sak Cheng Lum (Independent Non-Executive Director)

The Committee's terms of reference include the review of and deliberation on the Group's financial statements, the audit findings of the external auditors arising from their audit of the Group's financial statements and the audit findings and issues raised by Internal Audit together with the Management's responses thereon. The Executive Deputy Chairman, Group Managing Director / Chief Executive Office, Head of Internal Audit, Chief Risk Officer and the Senior Manager, Finance attend meetings at the invitation of the Audit Committee. However, where deemed appropriate certain matters on the Agenda are discussed in the absence of the Management. The Committee also invites the external auditors for its meetings as and when necessary. Agendas of the meetings of the Audit Committee will usually include audit findings of the operations of the Group.

The Audit Committee Report for the financial year pursuant to Paragraph 15.16 of the Listing Requirements is contained on pages 36 to 37 of this Annual Report.

### 6.2 Finance Committee

The Finance Committee, comprising 2 Non-Executive Directors and the Executive Deputy Chairman, reviews and examines investment and strategic proposals and makes appropriate recommendations to the Board. The Finance Committee met once during the financial year. The members of the Finance Committee who held office during the financial year are:

1. Datuk Leong Tang Chong (Non-Independent Non-Executive Director (until 5 November 2009))
2. Dato' Clement Hii Chii Kok (Executive Deputy Chairman)
3. Dato' Dr. Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director)

# Corporate Governance Statement

for the financial year ended 31 December 2009

## 6.3 Nomination Committee

The Board's Nomination Committee comprises 3 Non-Executive Directors, all of whom are independent. The members of the Nomination Committee who held office during the financial year are:

1. Dato' Wira Syed Abdul Jabbar bin Syed Hassan (Independent Non-Executive Director)
2. Dato' Dr. Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director)
3. Tan Sri Dato' Dr. Sak Cheng Lum (Independent Non-Executive Director)
4. Datuk Leong Tang Chong ((Non-Executive Director (until 5 November 2009))

The Committee's responsibility, among others, is to recommend candidates for directorship to the Board as well as membership to Board Committees. The Committee assesses the Board collectively on an on-going basis, taking into account size and the required mix of skills. In making its recommendations to the Board, the Committee takes into consideration the core competencies the directors individually and collectively possess in relation to the businesses of the Group and the business environment.

The Committee held three meetings during the year under review.

## 6.4 Remuneration Committee

The Remuneration Committee comprises 3 Non-Executive Directors, all of whom are independent. The Committee's primary responsibility is to recommend to the Board, the remuneration of Directors (Executive and Non-Executive) in all its forms, drawing from outside advice if necessary. Nevertheless, the determination of remuneration packages of Directors is a matter for the Board as a whole and individuals are required to abstain from discussion of their own remuneration. The members of the Remuneration Committee who held office during the financial year are:

1. Datuk Leong Tang Chong (Non Independent Non-Executive Director) - Chairman (until 5 November 2009)
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan (Independent Non-Executive Director)
3. Dato' Dr. Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director)
4. Mr Foo San Kan (Senior Independent Non-Executive Director)

The Remuneration Committee meets at least once a year to recommend to the Board the remuneration of directors, including fees. The Committee met twice during the year and amongst other matters, reviewed the Group's remuneration framework and policy.

## 7. Accountability and Audit

### 7.1 Financial Reporting

A balanced and meaningful assessment of the Group's financial performance and prospects are presented primarily through the financial statements and the Chairman's Statement in the Annual Report.

Directors are required, pursuant to Section 169(15) of the Companies Act, 1965, to state whether the Group's financial statements for the financial year are drawn up in accordance with approved accounting standards so as to give a true and fair view of the Group's state of affairs and of the results of the Group's operations for the financial year. This year's statement is signed by the Executive Deputy Chairman, Dato' Clement Hii Chii Kok and the Group Managing Director / Chief Executive Officer, Datin Linda Ngiam Pick Ngoh for and on behalf of the Board and is set out on page 79 of this Annual Report.

The Group's quarterly and annual results announcements within the stipulated time frame reinforce the Board's commitment to provide a true and fair view of the Group's operations. An abbreviated version of these announcements is also published in The Star newspaper.



# Corporate Governance Statement

for the financial year ended 31 December 2009

## 7.2 Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit and loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## 7.3 Internal Audit Function

The Group's internal audit provides independent and objective assurance of the adequacy and integrity of the system of internal control. Details of the internal audit function, together with the state of the Group's internal control, are given in the Statement on Internal Control as set out in pages 34 to 35 of the Annual Report.

## 7.4 External Audit

The Group's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements. Where deemed appropriate, the Board may discuss audit findings in the absence of the Management.

The external auditors will report on any weaknesses in the internal control systems and any non compliance of accounting standards that come to their attention during the course of their audit work to the Management and Audit Committee.

The amount of non-audit fees paid to the external auditors and their associates during the financial year is RM121,100.

## 8. Relations with Shareholders and Investors

The Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedbacks. The Group Managing Director / Chief Executive Officer and Senior Management personnel participate in discussions with analysts, fund managers and shareholders, both local and from overseas. Such dialogues have given the shareholders and investors a better appreciation and understanding of the Group's performance and its strategic direction.

The Annual General Meeting (AGM) is the principal forum for dialogue with individual shareholders and investors. It is a crucial mechanism in shareholder communication for the Company. At the Company's AGM which is generally well attended, shareholders have direct access to the Board and are given the opportunity to ask questions during the open question and answer session. Usually, a press conference is held immediately after the AGM whereat the Chairman, the Executive Deputy Chairman and the Group Managing Director / Chief Executive Officer answer questions on the Group operations.

During the year, the Company continued to have regular meetings and dialogues with analysts and investors.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guidelines under the Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

This Statement is made in accordance with a resolution of the Board of Directors dated 11 March 2010.

# Statement on Internal Control

for the financial year ended 31 December 2009

## INTRODUCTION

Paragraph 15.27(b) of the *Listing Requirements* of Bursa Malaysia Securities Berhad (“the Securities Exchange”) requires the Board of Directors of a public listed company to include in its annual report a statement on the state of internal controls of the listed issuer as a group. The Securities Exchange’s *Statement on Internal Control: Guidance for Directors of Public Listed Companies* provides guidance for compliance with these requirements.

Internal control is broadly defined as a process, effected by an entity’s Board of Directors, Management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Reliability and integrity of financial and operational information.
- Compliance with applicable laws, regulations and contracts.

Set out below is the Board’s Statement on Internal Control and Risk Management Practices.

## BOARD RESPONSIBILITY

The Board of Directors recognises the importance of sound internal controls to good corporate governance. The Board affirms its overall responsibility for the Group’s systems of internal controls and for reviewing the adequacy and integrity of those systems. Because of the limitations that are inherent in any system of internal control, it should be noted that such systems are designed to provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing the operating and financial controls affecting the achievement of its business objectives throughout the period. The Internal Audit department plays a significant role in this respect. This process is regularly reviewed by the Audit Committee of the Board.

Whilst the Board maintains ultimate responsibility over the Group’s systems of internal controls, it has delegated to the executive management efficacious implementation. The role of Internal Audit is to provide that reasonable assurance that designed controls are in place and are operating as intended.

## RISK MANAGEMENT FRAMEWORK

The Board undertook to review the risk management processes in place within the Group with the assistance of the Risk Management Committee, the Chief Risk Officer and the Internal Audit Department.

The key elements of the Group’s risk management framework are as follows:

- A Risk Management Committee, which is chaired by the Group Managing Director / Chief Executive Officer and include key management personnel from the relevant business and support functions and Internal Audit. The Committee is entrusted with the responsibility to identify and communicate to the Board of Directors the risks the Group faces, their changes, and the management actions and plans to manage the risks.
- A Risk Management Manual, which outlines the corporate policy and framework on risk management for the Group and offers practical guidance on risk management issues.
- A database of identified risks and controls in the form of a Risk Register, which is periodically reviewed and reported to the Board.

To embed the risk management process within the culture of the Group, the following steps are incorporated in the risk management process:

- Embedding internal control further into the operations of the business through the installation of a process of risk and control self-assessment.
- Regular updates on risk management from the heads of the business and supporting functions to the Risk Management Committee.
- Quarterly review by the Audit Committee of the Board on the adequacy and integrity of the system of internal control and risk management process.

## Statement on Internal Control

for the financial year ended 31 December 2009

### INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department, which provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control.

Internal audit independently reviews the risk identification procedures and control processes, and reports to the Audit Committee on a quarterly basis. Internal audit also reviews the internal controls in the key activities of the Group's business and a detailed annual internal audit plan is presented to the Audit Committee for approval. Internal audit adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business functions of the Group.

The Audit Committee reviews the risk monitoring and compliance procedures to obtain the level of assurance required by the Board. The Audit Committee presents its findings to the Board on a quarterly basis or earlier as appropriate.

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from the above, the other key elements of the Group's internal control systems include:

- Clearly defined delegation of responsibilities to committees of the Board and to management including organisation structures and appropriate authority levels.
- Regular and comprehensive information provided to management for monitoring of performance against budgets covering all key financial and operational indicators.
- The Group Managing Director / Chief Executive Officer, with the input from the Risk Management Committee, reviews with the Board significant changes in the internal and external environment, which affect the Group's risk profile.
- Detailed budgeting process requiring all business units to review budgets periodically, which are discussed and approved by the Top Management headed by the Group Managing Director / Chief Executive Officer.
- The Senior Manager, Finance, provides the Board with quarterly financial information. This includes, amongst others, the monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.



# Audit Committee Report

## Membership

Composition of the Audit Committee is in accordance with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Committee comprises:

|  |   |
|--|---|
| Mr Foo San Kan                               | - Chairman, Senior Independent Non-Executive Director |
| Dato' Wira Syed Abdul Jabbar bin Syed Hassan | - Independent Non-Executive Director                  |
| Tan Sri Dato' Dr. Sak Cheng Lum              | - Independent Non-Executive Director                  |

## Terms of Reference

The terms of reference of the Audit Committee are set out on pages 38 to 39.

## Meetings

The Committee held five meetings during the year, which were attended by all members. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The Executive Deputy Chairman, the Group Managing Director / Chief Executive Officer and the Senior Manager, Finance attended all meetings. Other members of management and external auditors, Messrs BDO attended some of these meetings upon the invitation by the Chairman of the Committee.

## Summary of activities during the financial year

During the financial year, the Audit Committee carried out its duties in accordance with its terms of reference.

Other main issues discussed by the Audit Committee are as follows:

- a) Reviewed the external auditors' scope of work and audit plans for the year. Prior to the audit, representatives from the external auditors presented their audit strategy and plan. The Audit Committee also met with the external auditors without management being present twice during the year under review.
- b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's responses.
- c) Considered and recommended to the board for approval of the audit fees payable to the external auditors.
- d) Reviewed the independence and objectivity of the external auditors and services provided, including non-audit services. Non-audit fees totalling RM121,100 were paid to the external auditors and their associates during the financial year, for the provision of corporate tax advisory and planning and other advisory services.
- e) Reviewed the Internal Audit Department's resources requirements, programmes and plans for the financial year under review and the annual assessment of the Internal Audit Department's performance. The Audit Committee also met with the internal auditor without management being present.
- f) Reviewed the internal audit reports, which highlighted audit issues, recommendations and management's response. Discussed with management actions taken to improve the system of internal control based on suggestions identified in the internal audit reports.
- g) Recommended to the Board, improvements in internal control procedures and risk management. The Risk Management Committee updates the Audit Committee regularly on the risk profiles and risk management.
- h) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards (FRS) in Malaysia.

## Audit Committee Report

- i) Reviewed the Company's compliance in particular the quarterly and year end financial statements with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, FRS and other relevant legal and regulatory requirements.
- j) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- k) Reviewed the related party transactions entered into by the Group.
- l) Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement, incorporating the Statement on Internal Control, pursuant to the Listing Requirements.

### Internal Audit Function

The Group has a well-established Internal Audit Department, which reports to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Internal Audit Department is independent of the activities or operations of other operating units. The principal role of the department is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such system continue to operate satisfactorily and effectively. It is the responsibility of the Internal Audit Department to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

Further details of the activities of the Internal Audit Department are set out in the Corporate Governance Statement on pages 29 to 33.

# Audit Committee - Terms of Reference

The members of the Audit Committee are as follows:

Mr Foo San Kan \* - Chairman  
 Dato' Wira Syed Abdul Jabbar bin Syed Hassan \*  
 Tan Sri Dato' Dr. Sak Cheng Lum \*

(\* Independent Non-Executive Director)

## 1. MEMBERSHIP

1.1 The Audit Committee shall be appointed from amongst its Directors and must fulfil the following requirements:

- a) The Audit Committee must be composed of no fewer than 3 members who are Non-Executive Directors;
- b) A majority of the Audit Committee must be Independent Directors;
- c) At least one member of the Audit Committee:
  - (i) must be a member of the Malaysian Institute of Accountants; or
  - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
    - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
    - he must be a member of one of the associations of accountants specified in Part 11 of the 1st Schedule of the Accountants Act 1967; or
  - (iii) fulfils such other requirements as prescribed by the Exchange.

1.2 No alternate Director shall be appointed as a member of the Audit Committee;

1.3 In the event of any vacancy in the Audit Committee resulting in the non-compliance of the listing requirements of the Exchange pertaining to the composition of the Audit Committee, the Board of Directors shall within three months of that event fill the vacancy;

1.4 The terms of office and performance of the Audit Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

## 2. CHAIRMAN

2.1 The Chairman of the Audit Committee shall be appointed by members of the Committee and must be an Independent Non-Executive Director.

## 3. SECRETARY

3.1 The company secretary shall be the secretary of the Audit Committee.

## 4. MEETINGS

4.1 The Audit Committee shall meet at least four (4) times in a year. Additional meetings may be called at any time at the discretion of the Chairman of the Audit Committee;

4.2 A quorum shall be two (2) members, comprising independent non-executive directors;

4.3 The Chairman of the Audit Committee shall, upon the request of the external auditor, convene a meeting of the Committee to consider any matter, which the external auditor believes should be brought to the attention of the directors or shareholders;



## Audit Committee - Terms of Reference

- 4.4 The external auditor has the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee;
- 4.5 The Audit Committee should meet with the external auditors without the executive Board members present at least twice a year;
- 4.6 The Audit Committee shall regulate its own procedure, in particular:
- (a) the calling of meetings;
  - (b) the notice to be given of such meetings;
  - (c) the voting and proceedings of such meetings;
  - (d) the keeping of minutes; and
  - (e) the custody, production and inspection of such minutes.

### 5. FUNCTIONS

5.1 The functions of the Audit Committee shall be

- (a) to review
  - (i) with the external auditors, the audit plan;
  - (ii) with the external auditor, his evaluation of the system of internal accounting controls;
  - (iii) with the external auditor, his audit report;
  - (iv) the assistance given by the Company's officers to the external auditor;
  - (v) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - (vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (vii) the quarterly results and year end financial statements prior to the approval by the board of directors, focusing particularly on:
    - changes in or implementation of major accounting policy changes;
    - significant and unusual events; and
    - compliance with accounting standards and other legal requirements;
  - (viii) any related party transactions and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity; and
  - (ix) with the Chief Risk Officer the risk management practices and procedures;
- (b) to nominate a person or persons as external auditors; and
- (c) to perform any other functions / responsibilities / duties as may be imposed upon them by Bursa Securities or any other relevant authorities from time to time.

together with such other functions as may be agreed to by the Audit Committee and the Board of Directors.

# Additional Compliance Information

## 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2009.

## 2. SHARE BUY-BACK

The Company purchased 70,200 of its own shares during the financial year ended 31 December 2009, all of which are held as treasury shares and maintained by the Company.

## 3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

During the year, the Company did not sponsor any ADR or GDR programmes.

## 4. SANCTIONS AND / OR PENALTIES

There were no public sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by the regulatory bodies during the financial year.

## 5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities exercised by the Company during the financial year.

## 6. PROFIT GUARANTEE

There was no profit guarantee given by the Company.

## 7. PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection. There is no variance between the results for the financial year and the unaudited results previously released by the Company.

## 8. REVALUATION POLICY ON LANDED PROPERTIES

The Company has not adopted a policy of regular revaluation of its landed properties.

## 9. MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving Directors and major shareholders' interest.

## 10. NON-AUDIT FEES

The amount of non-audit fees payable to external auditors for the financial year was RM121,100.



## Executive Deputy Chairman's Statement

On behalf of the Board of Directors, I would like to place on record the Group's appreciation to Datuk Leong Tang Chong who succeeded Tan Sri Lau Yin Pin as Chairman from February 2009 until November 2009.



## Executive Deputy Chairman's Statement

Presently, I would also like to welcome Mr Tan Foong Luen, our newly appointed Independent, Non-Executive Director, who joined the Board in July 2009. Heartiest congratulations and a warm welcome to Datuk Seri Wong Chun Wai who joined the Board as an Executive Director on 11 March 2010.

Your Board of Directors is pleased to present the Annual Report and Audited Accounts of the Group and the Company for the financial year ended 31 December 2009.



*The Star's 37th Annual General Meeting*

### Financial Performance

In the financial year 2009, the world economy went through difficult times. We at Star were not insulated from pressures faced by the global macro-economy and 2009 proved to be challenging in many aspects especially with rising operating costs and falling advertising expenditure. Still, amidst these demanding circumstances, the Board is pleased to report that Group revenue was sustained although margins came slightly under pressure.

It has been a unique year for us in that on the one hand we witnessed a slowdown in the advertising revenue growth trajectory while on the other we recorded growth in revenues from the events, exhibition, interior and thematic division. Therefore, despite the much softer economic climate, total revenues for the Group rose from RM831.04 million in the previous year to RM973.92 million for the year ended 31 December 2009.

Although the Group's pre-tax profit dipped slightly to RM197.16 million from RM201.46 million, profit after tax rose marginally to RM149.63 million for the year under review compared to RM138.70 million in 2008.

The net asset backing per share as at 31 December 2009 rose to 170 sen against 164 sen the year before.

### Industry Trends & Development

The Malaysian advertising market recorded a total ratecard spending of RM6.6 billion in 2009 indicating a growth of 7% compared to 2008 (Source: Nielsen Media Research). Newspapers and terrestrial television continue to command the bulk of the total adspend at 52% and 37% respectively.

English newspaper circulation recorded a decline as a whole and the The Star and Sunday Star both experienced marginally lower sales. Decrease in advertising expenditure from recruitment and sectors which are more printcentric partly explains the lower market share in newspaper segment. The Board has taken measures to manage this and among the steps is the launch of Star Sarawak edition and Minggu mStar (see Operations).

## Executive Deputy Chairman's Statement



Launch of Mingguan mStar



Launch of  
The Star, Sarawak edition

### Operations

Over the years, The Star has grown and evolved into a multimedia organisation that provides content via print, the Internet, radio and mobile phone. For 2010, we intend to venture into the fields of application development for mobile devices, and creative multimedia as well.

The Star Media Group has shown its commitment to innovation in the media industry by obtaining MSC Status for three of its subsidiaries in 2009. These companies will blaze new trails for the Group in the fields of online property advertising, recruitment and content delivery.

The Star decided to publish a Bahasa Malaysia weekly to cater for a rapidly growing demand for Bahasa Malaysia publications. The Star feels that the time is right to give our readers another option in Bahasa Malaysia to choose from. The launch of Mingguan mStar marks another important stage in the growth of the Group as it not only means that Malaysia's No.1 English daily is growing, but it is also celebrating the spirit of 1Malaysia, bringing Malaysians closer together through the national language.



Visitors at the Red FM Ryder Cruiser

The Star, Sarawak edition, rolled out on 7 March 2010 - offering Sarawakians more to read at a lower cover price. The daily has finally hit the streets following the signing of a printing agreement between Star Publications (M) Berhad and UBP Printing Sdn Bhd last November that will ensure that the paper is available to readers by 6 in the morning every day.



First issue of  
Mingguan mStar

2009 was a very exciting year for radio. Star RFM increased its transmission power from 2 kilowatts to 5 kilowatts, giving it a wider coverage area and better sound quality. 988 and Red FM also underwent format changes resulting in increased listenership for both stations. Red FM claimed the "Fastest Growing English Station" title after experiencing its third increase in the Nielsen Diary Survey in the last 18 months whilst 988 surprised delighted listeners when it made the bold move to change its morning format and its announcer lineup in June 2009. The first half of the day saw the station focusing on social and community issues and the second half on music, entertainment and lifestyle. Suria FM streamlined its format to offer more music and exciting features which quickly captured listeners and the station celebrated its highest ever ratings in 2009 with 747,000 listeners. Suria Cinta - the weekly love songs show on a Sunday night was so popular that it was rolled out to 6 nights a week.

## Executive Deputy Chairman's Statement



Leaderonomics -  
DIODE Leadership  
and Entrepreneurship  
Youth Camp



Suria FM's Anniversary Celebration



Star Sarawak  
Metro Edition

Cityneon's contribution to the Group in 2009 was highly commendable. The subsidiary clinched contracts from Oman and Indonesia to design and build the countries' pavilions at the World Expo to be held in Shanghai in 2010 and further strengthen the subsidiary's credentials as "a leading designer and builder of exhibition structures and other brand communication tools in the Middle East". Cityneon also managed to more than double its order book during the year.

For Leaderonomics, a social enterprise focused on leadership development services for both corporations and youth, 2009 proved to be a year of strengthening its branding position as the leader in Customised Leadership Development Programmes, securing multiple long term engagements with various GLCs and MNCs. Leaderonomics made significant in-roads in youth & community development with its successful DIODE Leadership and Entrepreneurship youth camps and its community work training over 100 Self-Advocates across Malaysia winning accolades nominations for various awards including AYA's "Most Youth Friendly Company".



## Executive Deputy Chairman's Statement

### Prospects

The world economy appears to be on the mend after a sharp, broad and synchronised global downturn in 2009. According to the Malaysian Institute of Economic Research (MIER), both the Consumer Sentiments Index (CSI) and Business Conditions Index (BCI) continue to show improvement. MIER maintains its GDP growth forecast of a positive 3.7% for 2010. MIER subsequently revised the GDP growth forecast for 2010 to 5.2% after seeing improvement in consumer and business confidence.

Against this cautious optimism, the Board of Directors is hopeful of achieving another set of creditable results in 2010.

### Dividends

The Board of Directors had on 11 February 2010 declared a second interim dividend consisting of a 7.5 sen per ordinary share, less tax and a special dividend of 3.0 sen per ordinary share, tax exempt, which was paid on 16 April 2010.

This, together with the first interim dividend of 7.5 sen per ordinary share, less tax and a special dividend of 3.0 sen per ordinary share, tax exempt paid out on 16 October 2009 brings the total dividend payout per share for Financial Year 2009 to 15 sen less tax and 6 sen tax exempt (2008: total 15 sen less tax and 6 sen tax exempt per share).

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2009.

### Appreciation

On behalf of the Board, I would like to thank our shareholders, readers, advertisers and advertising agencies, vendors and agents as well as all our business associates for their continued trust, support and understanding.

My appreciation to fellow Directors and the management team for your unwavering support and co-operation, and to all employees for your commitment, dedication, creativity and hard work in a difficult economic environment to make the year a very respectable one.

**Dato' Clement Hii Chii Kok**  
Executive Deputy Chairman  
30 April 2010



OUR FOCUS  
IS ON  
**EXPANDING**  
OUR POSSIBILITIES





Determination is our greatest asset. As the media landscape continues to evolve, we are resolved in keeping our content and approach relevant and fresh.



# Corporate Responsibility

## INTRODUCTION

As a socially responsible member of the media, The Star continued its efforts to contribute to the well-being of the community in the year 2009 through regular newspaper articles on best practices as well as disseminating such information through its new media channels. It was a year of learning and discovery fraught with challenges for The Star and its readers. It was also an eventful year that saw numerous achievements in the marketplace, workplace, and community, as shown by the number of awards the company received.

A myriad of projects and activities were implemented throughout the year as we continued our effort to reach out to all sectors and communities.

## MARKETPLACE

For The Star, corporate responsibility in the marketplace translates to how the organisation develops, sells and delivers its products to readers and stakeholders. Through guidelines set forth by the company's corporate governance statement, The Star practices self-regulatory measures in ensuring that day-to-day decisions are made with the aim of preserving the company's reputation as well as keeping the promise to stakeholders that we will always be a responsible corporate citizen.

How do we demonstrate this? It has often been said that Corporate Responsibility is not just about how we use the money we make but how we made the money.

As a publisher we are ever mindful that our content should more than meet the stakeholders' standard for objectivity, fairness and truthfulness. We endeavour to filter out such material that may corrupt the minds of our readers and sow seeds of discord. Sleaze sells but in our marketplace we are mindful of such content. Constructive engagement, not harping on the negative, is the order of the day. This is embodied in our content development and management values. We have also conscientiously blocked out offensive stories and advertisements although it is sometimes a tough choice to make between monetary gain versus values.

We have also endeavoured to keep the retail price of our publications low especially our magazine for school children, Kuntum, so as to make it affordable to this group. We believe that by and large, Malaysian readers are a good judge of what we hold ourselves to be in the marketplace and we continue to stay as the dominant number one in readership and circulation among English dailies.

### Readers' privacy

While we do collect details of our readers in the course of our activities, we have limited access to such data which is used and presented in a manner that protects disclosure of details of the individual reader.

### Marketing Communications

Our external communications, from releases to the Stock Exchange, to trade releases and other forms of communication are fact-based and do not mislead in anyway.

This includes trade representations such as those we make in the process of selling advertisement space in our publications, print and online.



### Investor Relations

We hold regular meetings with analysts, fund managers and other stakeholders such as the Minority Shareholder Watchdog Group (MSWG) to provide them with timely and meaningful updates on the business operations of the Group. Although The Star's share price (stock code 6084) is not among the high-flyers, it is considered a 'safe haven' stock among the low-beta stocks. It has constantly been on the radar of many local and foreign research houses.

We also put up an Investor Relations website in 2009 to allow greater accessibility for investors and analysts.

### Ethical Procurement

The Star strictly prohibits any of its employees from bribery, corruption and any form of unethical behaviour. Whilst we believe that a stringent tendering system for procurement and contracts helps, we are confident that the ethical values inculcated in our employees reinforces our effort to be transparent.

The supplier-buyer relationship is regularly reviewed and improved upon to comply with international standards. Our newsprint suppliers are ISO 14001 certified, while our present front-page sticker supplier has both ISO 9001 and ISO 14001 certification.

The continuous support for Malaysian-made products is further affirmed through our purchase decisions. A large portion of our newsprint comes from Malaysian Newsprint Industries, while printing ink is sourced from local factories that are Sirim and ISO certified.



## Corporate Responsibility



*The BrandLaureate Awards 2008 / 2009*



*MIRC Recognition Award 2009*

### Recognition / Awards

- The Star - Best Brand in the English-medium newspaper category, The BrandLaureate Awards 2008 / 2009.
- StarMetro - Vocational Service Award from Rotary Club of Kuala Lumpur DiRaja
- The Star - Recognition Award, MCA ICT Resource Centre (MIRC)
- The Star - Elite Award, 5th Asia Pacific Super Excellent Brand Award
- The StarOnline - Highest Ranking Local Website Amongst Marketers, Third Most Preferred Website Amongst Marketers, Highest Ranking, Consumer Electronics Buyers Category, Gold Medal-Car Buyer Category-Online Media of the Year 2009 Survey
- The Star - Malaysia's 30 Most Valuable Brands

## WORKPLACE

The Star has successfully built a dedicated workforce that has performed well in expanding into new areas and ways of doing business in this ever-changing climate and increasing competition resulting from globalisation.

The Star's Human Resources Department is determined to develop the Company's human capital in order to encourage and maintain optimal performance levels from its workforce and reward good service.

### Promoting Work-Life Balance

Employees continue to receive benefits such as medical care and retirement plans, among others. They are also covered by insurance policies undertaken by the Company.

Events are organised to promote and encourage greater

interaction and camaraderie among staff, such as The Star Editorial Futsal Tournament.

The Company also provides subsidies to departments to allow the staff to enjoy departmental parties to further promote an *esprit de corps*.

### Talent Development

Talent development encompasses a variety of components such as career development, career management, organisational development and training as well as personal development. The Star is committed to broadening its employees' intellectual dimensions and skills through various talent development and training programmes in order to achieve and maintain a competitive edge for the organisation.



*The Star's Editorial Futsal Tournament*

## Corporate Responsibility



*Star employees in a training session*



*UPM Media Night 2009*



*The Star's 38th Anniversary Celebration*



*Long-service award recipients at  
The Star's 38th Anniversary Celebration*

Employees are encouraged to learn, unlearn and relearn to keep abreast with changes and move forward. These initiatives are aimed at enhancing our employees' ability to meet new challenges and cope with changes in the business environment.

In 2009, The Star's employees participated in no fewer than 141 workshops, training sessions, conferences and seminars held locally and abroad. The areas covered were technical, sales, customer service, motivation, team building, IT, and media law, among others. The Star invested a total of about RM1.1 million in training and developing talent.

Our employees have done us proud by winning numerous accolades. At the UPM Media Night 2009, The Star won the award for best English coverage of the institution for the second year in a row; it was also a winner at the Health Ministry's Media Awards and SAM 100PLUS Sports Awards.

The Star was among the companies to receive the prestigious Malaysia's 30 Most Valuable Brands (MMVB) 2009 Award from the Prime Minister's Department. It also picked up the Sahabat SME Award at the SMI Association of Malaysia Annual Dinner, and an UMNO Special Award at the UMNO Media Appreciation Night.

In recognition of its employees' continuous commitment, the company presented long service awards to those who had served it for 15 years. In 2009, 70 members of the staff received tokens and certificates of appreciation at the company's 38th anniversary celebration.

## Corporate Responsibility



Health Ministry's Media Awards



SAM 100PLUS Sports Awards



UMNO Media Appreciation Night

### **Industrial Relations**

The company continues to support the Code of Conduct for Industrial Harmony that provides for freedom of association with regard to employees joining unions. The harmonious relationship between the unions and management has been beneficial to the organisation's growth.

### **Health and Safety at Work and Beyond**

Overall, efforts in reducing work accidents have been positive. We have been experiencing a steady reduction in the number of incidences since 2008. The number of incidents in the year 2009 saw a decline of 41% compared to the year 2008.

It has been an eventful year for safety and health for several reasons. Firstly, the reorganisation of all Location Safety

& Health Committees allowed us to have fresh views and initiatives for the coming year.

Apart from that, regular training on safe work procedures and inspections have borne positive results. Employees have also been provided with First Aid and CPR training to ensure that we have a sizable number of trained first-aiders in one location at any one time.

Our safety and health committees have also participated in working visits to other organisations to enhance their knowledge and gain exposure to the measures practised by other companies.

The Safety and Health Section, with the assistance of all Location OSH Committees, is striving to reduce all lost time incidents and make our workplace safer and healthier.

## ENVIRONMENT

As a responsible company that is fully aware of the impact of its actions upon the world, The Star has been extra vigilant in ensuring that its activities cause as little disturbance to the environment as possible. To that extent, the company has sought to utilise alternative technologies and materials that can effectively minimise material input and reduce wastage. This concern continues to influence all the initiatives carried out by the Star media group.

### **Haste Makes Waste**

By using a customised environmental management system to monitor and manage energy and water consumption, The Star keeps waste to a minimum. Through various optimisation measures, The Star ensures that energy consumption is reduced with the result being a significant drop in energy costs and lessening carbon emissions.

All our solid waste is disposed of via Kualiti Alam as is required by national regulations. Being a responsible corporate entity, The Star has invested in a water treatment system to ensure that discharge from its printing plants is properly treated.

Newspaper wastage is greatly reduced as active measures are taken to recycle unsold newspaper and incidental newsprint waste. The modern press-line technology at our printing plant has also helped to reduce newsprint waste significantly.



## Corporate Responsibility



Green Day celebration at FRIM, KL



Green Day celebration at Penang Botanical Garden

Besides the control within our premises, as a responsible media company, we created public awareness on environmental issues which many take for granted. This was accomplished through regular features in our StarTwo and StarMag sections together with many other news reports in the main paper and StarMetro.

### Go Green, Live Green

The Star organised the Go Green, Live Green project at two different venues this year. It was our own salute to World Environment Day and a show of our dedication to the movement.

## COMMUNITY

At The Star where we are regularly in touch with our readers and the greater community, our corporate responsibilities go beyond what we write. With the intention of strengthening and improving the community, we initiated various activities, talks and events on education, youth, sports, business and community development as our contribution to society through partnerships with other organisations, and government as well as non-government agencies.

### The End of Education is Character

The Star is committed to education and this is reflected in the numerous and diverse events organised for this cause - among them, the Kuntum-McDonald's Colouring Contest;

The Star/HSBC/ESU Malaysia Public Speaking Competition 2009; Mag Inc (Magazine Incorporated) 2009 contest; Creative Media Awards 2009; and The Star SPM Workshop Series.

Mighty Minds, a Maths and Science contest, saw secondary school students vying for the coveted award of being named Mighty Minds and winning cash prizes, computers and prizes co-sponsored by RHB Bank Berhad.

In its 21st edition, The Star Education Fair had a total of 167 exhibitors while The Star Education Fund received scholarship pledges worth RM11.12 million from 40 educational institutions - this was noteworthy, considering the ongoing economic crisis at the time.



RHB-The Star Mighty Minds Competition



The Star Education Fair in Kuala Lumpur



Cheque presentation and signing ceremony between Star Foundation and UTAR



## Corporate Responsibility



*The Star SPM Workshop Series*



*The Star/HSBC/ESU Malaysia Public Speaking Competition*



*Kuntum-McDonald's Colouring contest*

On top of that, we embarked on our first charitable foray in the education field with the establishment of Star Foundation Professor of Creative Industries Chair together with Universiti Tunku Abdul Rahman, with a contribution of RM250,000 annually for five years.

Essentially, the end result of tertiary education should be employment; thus, we co-organised the Trade & Career Fair 2009 at **Studio V** where job interviews and resume assessment were conducted together with interviews with CEOs from various industries which was featured on TheStarOnline.tv's Career Channel.

Education not only encompasses the younger generation, as learning is a lifelong process. Star-Jobs Hope and Employment Lifeline Project (Star-Jobs h.e.l.p.) campaign was launched to share news, information, re-training schemes and related activities gearing to help those retrenched during and affected by the economic crisis.



*Creative Media Awards*



*The Star-Pizza Hut NiE Mag Inc (Magazine Incorporated) Prize Presentation Ceremony*



*Star-Job's Hope and Employment Lifeline Project (Star-Jobs h.e.l.p.)*



*Galaxie & Youth carnival in Penang*

## Corporate Responsibility



BRATs Workshop



R.AGE Campus Dodgeball Championship



R.AGE Merdeka Train Party



StarMetro Waste Not, Want Not Project



StarMetro-AND1 Streetball Challenge

### A More Knowledgeable Society

In our efforts to contribute towards a knowledgeable society, The Star collaborated with other organisations to provide avenues for the community to continue to grow in their areas of interest.

The Star launched a new Web portal called ParenThots that offers child development and parenting information to parents and caretakers.

StarBiz organised the ACCA-StarBiz Tax Talk, a free tax talk for the public, noting the increasing demand from our readers for information on tax filing matters.

A free photography workshop, Let's Go Now!, was organised for amateur photographers while The Star New Media organised the Talking Organics forum that answered queries from online viewers on going green via Live Chat; cooking demonstrations and product demonstrations were also held.

We also lent our support to events organised by others; for example, The Star was the media partner for Effie Effectiveness 2009, a marketing communications talk organised by the Malaysia Effie Awards.

### Moulding of Our Youth to Shape the Future

Through its R.AGE and BRATs initiatives, The Star continued to reach out to youths by holding various events such as the Galaxie & Youth Carnival, R.AGE Campus Dodgeball Championship, Merdeka Train Party, AND1 Streetball Challenge, The Star BRATs Malacca 2009 Workshop and BRATs Year-End Trip. We were also the media partner for The Race Competition 2009, a game modelled after the popular reality-television show The Amazing Race; and the Youth Engagement Summit (YES 2009).

These events involved computer games, foosball, basketball, dancing, treasure hunts and workshops, designed to challenge and stimulate young minds. In the Merdeka Train Party, a group of 200 youngsters hopped on board the KL Monorail and decorated the coaches with the Jalur Gemilang, balloons, streamers and stickers while spraying their personalised Merdeka messages on the windows.

Waste Not, Want Not, a six-week food programme, was launched by StarMetro amongst hospitality students who cooked for the needy children at SMK Puchong Batu 14 and Taman Medan Children's Activity Centre. They also learnt how to reduce food wastage. Waste Not, Want Not achieved its objectives and more by instilling the students with a sense of charity and providing them with an experience that went beyond classroom learning.



## Corporate Responsibility



*CHEER 2009*



*Ipoh Starwalk*



*Star Property Fair in Kuala Lumpur*



*Malaysian International Ice Hockey tournament*

### **Stepping Up to the Plate in Sports**

With Malaysians becoming increasingly health-conscious, The Star supported the cause by holding a variety of events to address health issues and promote healthy living.

Cheer 2009, 10th edition was organised by R.AGE, The Star's youth platform. This national cheerleading competition is supported by the Youth and Sports Ministry, The Education Ministry and the Cheerleading Association and Register of Malaysia and conducted in stages throughout the country. Teams consisting of boys and girls alike attend cheerleading clinics which inculcate the values of teamwork besides mere sports, before battling it out at Putra Indoor Stadium, Bukit Jalil National Sports Complex.

The fifth Ipoh Starwalk increased its number of participants from 6,500 the previous year to 11,000 in 2009, while the Seremban Half Marathon 2009 had a record high turnout of 9,000 participants registered. Penang Starwalk had more than 13,400 people joining the event which was aimed at promoting a healthy lifestyle among Malaysians. The Star was also the official media for the inaugural Malaysian International Ice Hockey Tournament.

### **Delivering Goods at Face Value**

The Star recognises the significant role played by companies and investors in the development of the nation's economy and decided to commemorate the StarBiz-ICR Malaysia Corporate Responsibility Awards 2008 by launching *Rising to the Challenge*, a coffee-table book supported by the Securities Commission (SC), Association of Chartered Certified Accountants (ACCA), PricewaterhouseCoopers (PwC) and Securities Industry Development Corporation (SIDC).

The awards, presented for the first time in 2008, are aimed at highlighting corporate responsibility (CR) as an investment and a business strategy as well as to encourage companies to assimilate CR values into their business strategies and goals in order to raise business standards for the benefit of all stakeholders.

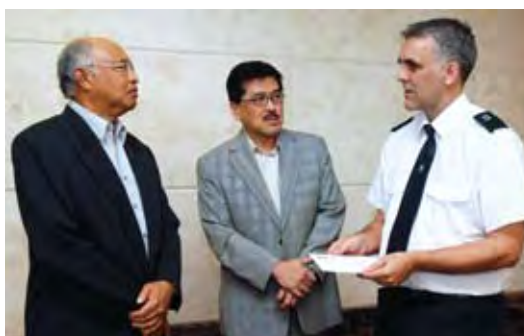
Following the success of the previous year, the StarBiz-ICR Malaysia Corporate Responsibility Awards 2009 saw finalists comprising public listed companies competing in four categories: Marketplace, Workplace, Environment and Community.

The Star Property Fair 2009 Penang and Star Property Fair 2009 Kuala Lumpur were organised to keep investors and purchasers in the know of the latest in financial updates, business and property, with the aim of engaging more investors to invest in our flourishing country.

## Corporate Responsibility



*CIMB-Star Padang Relief Fund*



*Star Foundation cheque presentation to Salvation Army of Malaysia*

### Giving Back to Society

A year that saw upheavals both in the world economy and the planet itself left many in need of help and a little encouragement to get back on track. The Star and its subsidiaries teamed up with various organisations to assist in any manner possible.

When the earthquake hit Padang, Indonesia, The Star teamed up with CIMB Group to raise funds for the victims. Contributions from the public as well as CIMB Foundation went up to RM1, 000,000. Subsequent to that, Star Publications (M) Sdn Bhd handed over a cheque for RM350,000 to Mercy Malaysia president Dr. Ahmad Faizal Mohd Perdaus to assist in its mission in Padang.

The Star Foundation also donated an accumulated amount of more than RM300,000 to the Salvation Army of Malaysia, as well as five non-government organisations in Sibu namely the Methodist Children's Home, Sibu Autistic Association, Sibu Kidney Foundation, Malaysian Red Crescent Society Sibu Chapter, Sarawak Society for the Blind Sibu Division on top of four more in Kuching.

In the Klang Valley, Star Foundation donated a total of RM700,000 to charitable organisations, namely Hospis Malaysia, National Association of Women Entrepreneurs Malaysia (NAWEM), The Heart Foundation of Malaysia, Ti-Ratana Welfare Society, Ti-Ratana Community Centre Penchala, The Special Children Society of Ampang and the National Stroke Association of Malaysia (NASAM).

The Star will continue to give its support wherever possible and this was reflected when we became media partners in the Humanitarian Appeal Fund that was launched by the Government to help war victims in the Gaza Strip.

### Beyond 2009

The Star will continue to be proactive in managing change and meeting challenges, and keep up its efforts to remain at the forefront of Malaysia's march towards being a progressive and developed nation.



*Star Foundation cheque presentation to charitable organisations*



*Humanitarian Appeal Fund*



# Diary of Events 2009

## JANUARY



### January 3

**Studio V**, the off-site studio of Star Publications, was officially launched. The two-storey multimedia hub at 1 Utama Shopping Centre acts as an all-under-one-roof platform for disseminating the Star media group's content - from print and online news to mobile, radio and radio content.



### January 10 & 11

The **Star Education Fair 2009** was held at the Kuala Lumpur Convention Centre with a total of 167 exhibitors taking up more than 500 booths to showcase the best of local and foreign education options under one roof. Education and Career Talks were also held during the two days. Meanwhile, the Star Education Fund received scholarship pledges worth RM11.12 million from 40 educational institutions.



### January 12

Securities Commissions (SC) Chairman Datuk Seri Zarinah Anwar launched the **Rising to the Challenge** coffee-table book at Menara Star. The book commemorated the StarBiz-ICR Malaysia Corporate Responsibility Awards 2008.



### January 15

The Star was one of the media partners of the **Humanitarian Appeal Fund** that was launched by the Government to help war victims in the Gaza Strip.

## Diary of Events 2009

### FEBRUARY

#### February 13

The Star and RHB Bank signed a partnership agreement on the inaugural **Mighty Minds** contest, the Maths and Science contest, held nationwide was open to secondary school students.



#### February 16

The **Mag Inc (Magazine Incorporated) 2009** contest was launched. Co-organised by Star-NiE and Pizza Hut, in cooperation with the Education Ministry, the contest required participating teams to produce a three-page magazine on issues close to their hearts.



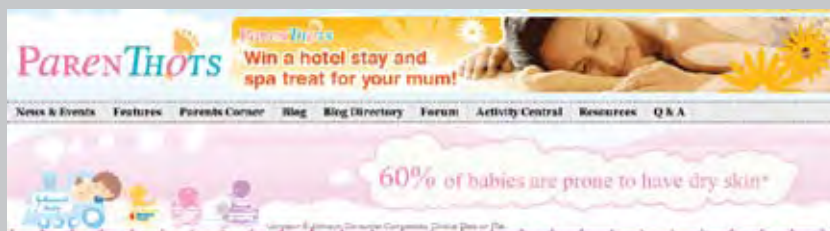
#### February 28 & March 1

The **Star Education Fair 2009** held in Penang attracted about 25,000 visitors, the largest in its nine-year history.



## Diary of Events 2009

### MARCH



#### March 2

The Star launched a new portal called **ParentThots** that offers child development and growth information to parents and caretakers.



#### March 5

The Star was one of the official media partners of **Effie Effectiveness 2009**. The marketing communications talks was organised by the Malaysia Effie Awards and took place at Menara Star, Petaling Jaya.



#### March 14 - 17

A total of 39 teenagers attended the 16th **Star BRATs Workshop** held in Malacca, the first workshop for the year.



## Diary of Events 2009

### March 23

The new **mStar** website was launched.



### March 28

The grand finals of the **The Star/HSBC/ESU Malaysia Public Speaking Competition 2009** was held in Kuala Lumpur. As many as 200 participants signed up for the preliminary rounds which were held in Petaling Jaya, Penang and Kuching.



### March 31

The Star was awarded as the best brand amongst English language newspapers at **The BrandLaureate Awards 2008/2009** ceremony in Kuala Lumpur. Former Prime Minister Datuk Seri Abdullah Ahmad Badawi presented the award to The Star's Executive Director, Mr Ng Beng Lye.





## Diary of Events 2009

### APRIL



#### April 2

The sale of The Star newspapers at six **PLUS customer service centres** in the Klang Valley was launched. The PLUS centres include Sungai Rasau, Batu Tiga, Damansara, Jalan Duta, Sungai Besi and Subang Toll Plazas.



#### April 11

The website for **Star-Jobs's Hope and Employment Lifeline Project (Star-Jobs h.e.l.p.)** was launched. Part of its activities included hosting of a **Career Centre** show at Studio V, One Utama, Petaling Jaya, aired every Tuesdays and Thursdays.



#### April 16

The Star's 10th **Cheer 2009**, cheerleading competition organised by R.AGE, The Star's youth platform with Silkygirl as the main sponsor and Marigold HL Low Fat Milk, the co-sponsor plus 8TV, the media partner was launched. The event was also supported by the Youth and Sports Ministry and the Education Ministry, as well as the Cheerleading Association and Register of Malaysia (CHARM).

## Diary of Events 2009

### April 22

StarMetro was awarded the **Vocational Service Award** by the Rotary Club of Kuala Lumpur in honour of its work for the community. StarMetro Deputy Editor Frederick Fernandez received the award on behalf of the StarMetro team.



### April 27

StarBiz and the Association of Chartered Certified Accountants (ACCA) jointly organised the **ACCA StarBiz Tax Talk** that was held at Menara Star, Petaling Jaya.



### April 27

Star Publications (M) Bhd received a recognition award from the **MCA ICT Resource Centre (MIRC)**. New Media Group General Manager Michael Aeria received the award on the company's behalf from MCA Vice-President Datuk Seri Kong Cho Ha, at the MIRC annual dinner and recognition award night 2009.



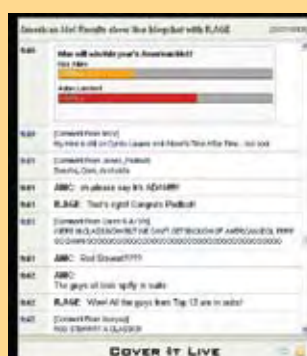
## Diary of Events 2009

### MAY



#### May 9 & 11

In line with the 10th anniversary celebration of **Cheer**, roadshows were held in Sabah and Sarawak for the very first time since its inception. The roadshows took place in Kota Kinabalu, Sabah (May 9) and Kuching, Sarawak (May 11). Earlier roadshows were held in Kuantan, Pahang (April 20) and Penang (April 27).



#### May 21

More than 1,500 American Idol fans from around the world joined **R.AGE BlogChat** - a live minute-by-minute update of the American Idol reality show telecasted live from Los Angeles.



#### May 25

The Star launched the **Investor Relations website** featuring The Star's corporate information and latest financial updates. Shareholders are able to access constant updates at any time.



## Diary of Events 2009

### JUNE

#### June 7

In conjunction with the World Environment Day, The Star organised the **Go Green, Live Green** in Kuala Lumpur and Penang. The celebration was held at the Forest Research Institute Malaysia (FRIM) grounds in the Klang Valley whilst in Penang it was held at the Penang Botanical Gardens.



#### June 15 - July 15

The **Popular-The Star Readers' Choice Awards** was once again organised in conjunction with Malaysia's largest book exhibition, **BookFest@Malaysia 2009** held at the Kuala Lumpur Convention Centre from August 22 - 31.



#### June 21

**Ipoh Starwalk 2009** took place with a total of about 7,000 participants.



## Diary of Events 2009

### JULY



#### July 4 & 5

The finals of **Cheer 2009** attracted a total of 41 teams from secondary schools across Peninsular Malaysia. Earlier, regional qualifying rounds were held in Johor Bahru (June 28). The 10th anniversary celebration culminated with a concert performed by popular local artistes.



#### July 1 - 24

The Star In.Tech, Buena Vista and The One Academy jointly organised the **Creative Media Awards 2009** based on the Disney-Pixar animated film, Up. The competition is also supported by the Multimedia Development Corporation, Malaysia.



#### July 6 & 7

StarJobs Online, YourPartTime.com and KBU International Collect co-organised the **Trade & Career Fair 2009** in Petaling Jaya. Job interviews and resume assessment were conducted at Studio V. Also featured was the **CEO Live @ Studio V** featuring interviews with CEOs on the TheStarOnline.tv's Career Channel.



#### July 11 & 12

The **Galaxie & Youth Carnival** was held in Penang with activities that included computer game challenge, foosball challenge, 3-on-3 basketball, stress dancing, treasure hunt, eating competition and arm wrestling.



#### July 12

The 22nd **Seremban Half Marathon 2009**, media sponsored by The Star, recorded its highest turnout in its history, with 9,000 participants. Suria FM was also the official radio station.



## Diary of Events 2009

### July 13

**Star Foundation** and Universiti Tunku Abdul Rahman signed an agreement to donate RM250,000 to the university annually for five years by establishing the Star Foundation Professor of Creative Industries Chair.



### July 13 - September 1

The **Power of 9** contest, with Perodua as the official contest partner, was held for nine consecutive weeks in conjunction with The Star's 38th anniversary celebrations. The weekly grand prize was either a Perodua MyVi SE or ViVa high-end derivative model. Eight other lucky winners each won RM1,999 every week whilst 90 consolation-prize winners each won movie ticket vouchers worth RM80.



### July 18 & 19

The **R.AGE Campus Dodgeball Championship** presented by Maybank Graduate Banking was held in Petaling Jaya with a total of 64 teams from local colleges and universities.



### July 31

Tan Sri Zarinah Anwar, Chairman of Securities Commission, Malaysia announced the **StarBiz-ICR Malaysia Corporate Responsibility Awards 2009** for the second year running. Aimed at recognising and honouring companies demonstrating outstanding CR practices that go beyond community and philanthropic activities, the Awards are organised in partnership with The Association of Chartered Certified Accountants (ACCA), PricewaterhouseCoopers (PwC) and Securities Industry Development Corporation (SIDC). It is also supported by the Securities Commission and Bursa Malaysia and sponsored by HSBC and Canon.





## Diary of Events 2009

### AUGUST



#### August 17

StarMetro started its own **Facebook** page and **Twitter** account in its effort to connect and interact closely with readers.



#### August 26

The Star, Sin Chew Daily and Utusan Malaysia, together with Maxis Communications, jointly launched the **Mobile Initiative Adoption** aimed at Malaysians to embrace a mobile data culture.



#### August 31

The Star's R.AGE was the partner for the **Merdeka Train Party** organised by RandomAlphabets.com. A group of 200 youngsters hopped on to the KL Monorail and decorated the coaches with Jalur Gemilang, balloons, streamers and stickers.

## Diary of Events 2009

### SEPTEMBER

#### September 3 - 5

The Star was the official media for the inaugural **Malaysian International Ice Hockey Tournament** held at Sunway, Petaling Jaya.



#### September 5

The Star New Media organised the **Talking Organics** forum at Studio V plus an online Q&A session with viewers on Going Green.



#### September 11 - 13

The **Star Property Fair 2009** themed "Modern Lifestyle" and held in Penang featured over 50 exhibitors taking up about 100 booths.



#### September 28

The Star launched its latest online news portal, **The Daily Chilli**, aimed at university students and young working adults.



## Diary of Events 2009

### OCTOBER

#### October 2



CIMB Group and The Star collaborated to raise funds for victims of the earthquake in Padang, Indonesia, with the launch of the **CIMB-Star Padang Relief Fund**. CIMB Group donated RM100,000 to kick-start the fund, whilst CIMB Foundation matched contributions from the public, ringgit-to-ringgit up to RM1 million.



The **Star SPM Workshop Series** was launched in Bentong, Pahang. About 500 secondary school students from schools in the Bentong district attended the one day workshop on Maths and Physics by Star's columnist, Sunny Yee.



The finals of the **Mag Inc 2009** contest organised by Star-NiE and Pizza Hut received 24,000 entries and managed to attract over 60,000 students. This year's contest also introduced the video clip category, which drew in about 4,000 entries.



## Diary of Events 2009

### October 4

Star Publications (M) Bhd was one of the winners in the **Elite Award** category under the **5<sup>th</sup> Asia Pacific Super Excellent Brand Award**, organised by Asia Entrepreneur Alliance (AEA), a non-profit international business organisation with members comprising successful entrepreneurs from the Asia Pacific region.



### October 6

The **Kuntum-McDonald's Colouring Contest** was launched at SK Bukit Bandaraya, Kuala Lumpur. The contest was held over six months at three locations, i.e. Kuala Lumpur (October 10), Johor Baru (November 7) and Penang (March 2010). The competition held at the National Art Gallery in Kuala Lumpur attracted over 1,600 primary school students.



### October 13

Star Foundation exco chairman Datuk Dr. Mohd Aminuddin Mohd Rouse presented a cheque of RM50,000 for a donation to the **Salvation Army of Malaysia** to help fund its two children's homes.



### October 24 & 25

The National Challenge of the **RHB-The Star Mighty Minds Competition** was held in Putrajaya. Earlier, preliminary rounds were held from March to July in all states throughout Malaysia. The Competition managed to attract as many as 5,800 students from about 550 schools.



## Diary of Events 2009



### October 25

The finals of the **AND1 Streetball Challenge**, media sponsored by StarMetro was held in Kuala Lumpur.



### October 27

Star Publications (M) Bhd Group MD / CEO Datin Linda Ngiam handed over a cheque to MERCY Malaysia for the amount of RM350,000 from the **CIMB-Star Padang Relief Fund**. Since its launch on October 2, the fund managed to collect more than RM3.8 million for the earthquake victims.



### October 31

Star Publications (M) Bhd Executive Deputy Chairman Datuk Clement Hii, on behalf of **Star Foundation**, presented a total of RM105,000 to the Methodist Children's Home, Sibu; Sibu Autistic Association; Sibu Kidney Foundation; Malaysian Red Crescent Society Sibu Chapter; and Sarawak Society for the Blind Sibu Division. Earlier on October 30, four other NGOs in Kuching were presented with donations worth about RM150,000.

## Diary of Events 2009

### NOVEMBER

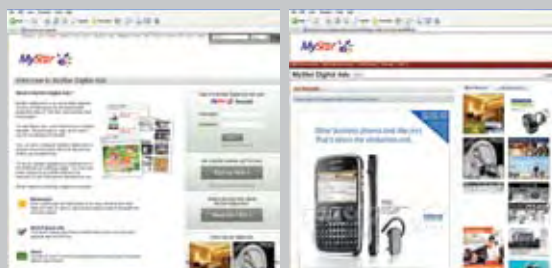
#### November 11

**Star Foundation** also made its contributions in Peninsular Malaysia with a total of RM700,000 made to eight charity organisations, namely Hospis Malaysia, National Association of Women Entrepreneurs Malaysia (NAWEM), The Heart Foundation of Malaysia, Ti-Ratana Welfare Society, Ti-Ratana Community Centre Penchala, The Special Children Society of Ampang and the National Stroke Association of Malaysia (NASAM).



#### November 16

**MyStar Digital Ads**, an up-to-date digitised archive of selected print advertisements published in The Star and Sunday Star, was soft launched. The service is the first MSC product of I.Star Sdn Bhd.



#### November 20

Star Publications (M) Bhd Executive Deputy Chairman Datuk Clement Hii and UBP Printing Sdn Bhd - a subsidiary of the United Borneo Press Group - Executive Chairman Datuk Ling Chiong Ho signed a contract for the **printing of The Star locally in Sarawak**.



The Star ranked amongst **Malaysia's Most Valuable Brands (MMVB)** for the third consecutive year. Star Publications (M) Bhd Group MD / CEO Datin Linda Ngiam received the award from Minister in the Prime Minister's Department Tan Sri Nor Mohamed Yakcop at the awards ceremony. The Star managed to maintain its 20th position out of 30 companies, with a total brand value of RM371.4 million.





## Diary of Events 2009



### November 24

**TheStarReader**, a collaborative project between The Star and Samsung, was launched allowing Samsung smart phone users to retrieve the latest news from The Star from their phones with the use of a new widget on the go.



### November 27 - 29

The **Star Property Fair 2009** made its debut in Kuala Lumpur with the theme "Stylish Living". The three-day fair included auctions by CIMB Property Mart and a contest with attractive prizes worth RM20,000 sponsored by Samsung. The exhibition also featured talks and forums presented by industry experts.

## Diary of Events 2009

### DECEMBER

#### December 8

The Star Online was ranked the highest local website amongst marketers, according to the inaugural **Online Media of the Year 2009** survey conducted by Advertising + Media magazine. It was also ranked the third most preferred website, after Google and Yahoo! and topped the Consumer Electronics Buyers category,. The site also won a "gold medal" in the Car Buyer category .

### Star Online the 3rd most liked website

Portal impresses despite domination of giant Google

**PETALING JAYA:** The Star Online (thestar.com.my) was ranked third most preferred website by marketers in Malaysia, according to the inaugural Online Media of the Year 2009 survey conducted by Advertising + Media magazine.

"The Star Online impressed in our survey despite the domination of internet giant Google," the magazine said.

The Star Online was the highest ranking local website in the survey, the findings of which were published in the magazine's September issue.

Google topped the survey list, followed by another internet behemoth Yahoo!.

Google took top spot simply because marketers said it was their number one preference in seven out of the 19 categories in the survey.

According to the magazine, The Star Online topped the Consumer Electronics Buyers category, ahead of eBay and Google.

The news portal also won the "gold medal" in the Car Buyer category, ahead of targeted websites such as Motor Trader and Zerotohundred.com.

Each gold medal carries three points, silver gives two points, while the bronze gets one point.

The Star Online accumulated 19 points in the survey.

#### December 12 - 16

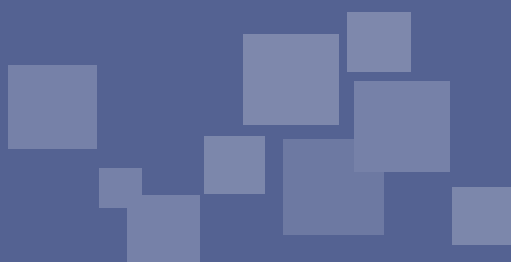
A group of 30 young journalists joined the **BRATs Year-End Trip** in Pahang.





## Financial Statements

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# Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are the publication, printing and distribution of newspapers and magazines. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

|                                   | Group<br>RM'000 | Company<br>RM'000 |
|-----------------------------------|-----------------|-------------------|
| Net profit for the financial year | 149,633         | 127,989           |
| Attributable to:                  |                 |                   |
| Equity holders of the Company     | 144,711         | 127,989           |
| Minority interest                 | 4,922           | -                 |
|                                   | 149,633         | 127,989           |

## DIVIDENDS

Dividends paid since the end of the previous financial year end were as follows:

- (a) A second interim dividend of 7.5 sen per ordinary share, less tax, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM41,544,201 and RM22,156,908 respectively in respect of the financial year ended 31 December 2008 were paid on 18 April 2009.
- (b) A first interim dividend of 7.5 sen per ordinary share, less tax, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM41,540,253 and RM22,154,802 respectively in respect of the financial year ended 31 December 2009 were paid on 16 October 2009.

On 11 February 2010, the Directors declared a second interim dividend of RM63,695,057 in respect of the financial year ended 31 December 2009 and payable to the shareholders on 16 April 2010 whose names appear in the Record of Depositors at the close of business on 31 March 2010, which are as follows:

- (i) Second interim dividend of 7.5 sen per ordinary share, less tax, which amounted to RM41,540,255; and
- (ii) Special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM22,154,802.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised and paid-up share capital of the Company during the financial year.

There were no issues of debentures during the financial year.

## Directors' Report (cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

### SHARE BUY-BACK

The shareholders of the Company, at an Extraordinary General Meeting held on 18 May 2005, approved the Company's proposal to repurchase up to 10% of its own shares ("Share Buy-Back"). The authority granted by the shareholders has been renewed at each subsequent Annual General Meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy-Back is in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased a total of 70,200 ordinary shares of its issued shares listed on the Main Market of Bursa Malaysia Securities Berhad from the open market at an average price of RM3.18 per share. The total consideration paid was RM224,706 including transaction costs of RM1,205. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

Details of the repurchase of shares were as follows:

|             | Average<br>purchase price<br>RM'000 | Number of<br>shares purchased<br>'000 | Total<br>consideration<br>RM'000 |
|-------------|-------------------------------------|---------------------------------------|----------------------------------|
| <b>2009</b> |                                     |                                       |                                  |
| March 2009  | 3.21                                | 44                                    | 143                              |
| June 2009   | 3.14                                | 26                                    | 82                               |
|             | 3.18                                | 70                                    | 225                              |

### DIRECTORS

The Directors who have held office since the date of the last report are:

Dato' Clement Hii Chii Kok

Datin Linda Ngiam Pick Ngoh

Tan Sri Datuk Seri Kamal Mohamed Hashim

Mr Ng Beng Lye

Datuk Seri Wong Chun Wai

(Appointed on 11 March 2010)

Datuk Leong Tang Chong

Dato' Wira Syed Abdul Jabbar bin Syed Hassan

Dato' Dr. Mohd Aminuddin bin Mohd Rouse

Tan Sri Dato' Dr. Sak Cheng Lum

Mr Foo San Kan

Mr Tan Foong Luen

(Appointed on 31 July 2009)

## Directors' Report (cont'd)

### DIRECTORS' INTERESTS

The Directors holding office at the end of financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2009 as recorded in the Register of Directors' Shareholding kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

|   | [----- Number of ordinary shares of RM1.00 each -----] |         |           |                                |
|---|--|---------|-----------|--------------------------------|
|   | Balance<br>as at<br>1.1.2009                           | Bought  | Sold      | Balance<br>as at<br>31.12.2009 |
| <b>Direct interests in the Company</b>  |  |         |           |                                |
| Datin Linda Ngiam Pick Ngoh             | 1,108,200  | -       | (109,200) | 999,000                        |
| Tan Sri Datuk Seri Kamal Mohamed Hashim | 1,000,000  | -       | (900,000) | 100,000                        |
| <b>Indirect interest in the Company</b> |  |         |           |                                |
| Tan Sri Datuk Seri Kamal Mohamed Hashim | -  | 900,000 | -         | 900,000                        |

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



## Directors' Report (cont'd)

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (cont'd)

(d) In the opinion of the Directors:

- (i) there has not arisen in any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 41 to the financial statements.

### SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

The event subsequent to balance sheet date are disclosed in Note 42 to the financial statements.

### AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

---

Dato' Clement Hii Chii Kok  
Director

---

Datin Linda Ngiam Pick Ngoh  
Director

Petaling Jaya  
11 March 2010

## Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 83 to 170 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

\_\_\_\_\_  
**Dato' Clement Hii Chii Kok**  
 Director

\_\_\_\_\_  
**Datin Linda Ngiam Pick Ngoh**  
 Director

Petaling Jaya  
 11 March 2010

## Statutory Declaration

I, Ragesh Rajendran, being the officer primarily responsible for the financial management of Star Publications (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 170 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly )  
 declared by the abovenamed at )  
 Petaling Jaya this )  
 11 March 2010 )

\_\_\_\_\_  
**RAGESH RAJENDRAN**

Before me:

**SOONG FOONG CHEE**  
 (No. B158)  
 Commissioner for Oaths

# Independent Auditors' Report

to the members of Star Publications (Malaysia) Berhad

## Report on the Financial Statements

We have audited the financial statements of Star Publications (Malaysia) Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 83 to 170.

## Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the relevant auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 11 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



# Independent Auditors' Report

to the members of Star Publications (Malaysia) Berhad (cont'd)

## Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO**

AF: 0206

Chartered Accountants

**Gan Hock Soon**

2853/07/10 (J)

Partner

Kuala Lumpur

11 March 2010

# Balance Sheets

as at 31 December 2009

|  | Note | Group<br>2009<br>RM'000 | 2008<br>RM'000   | Company<br>2009<br>RM'000 | 2008<br>RM'000   |
|--|------|-------------------------|------------------|---------------------------|------------------|
| <b>ASSETS</b>                              |      |                         |                  |                           |                  |
| <b>Non-current assets</b>                  |      |                         |                  |                           |                  |
| Property, plant and equipment              | 7    | 579,986                 | 604,378          | 558,419                   | 589,526          |
| Investment properties                      | 8    | 20,093                  | 8,888            | 20,093                    | 8,888            |
| Prepaid lease payments for land            | 9    | 42,801                  | 43,415           | 42,801                    | 43,415           |
| Intangible assets                          | 10   | 52,331                  | 51,966           | -                         | -                |
| Investments in subsidiaries                | 11   | -                       | -                | 94,032                    | 98,154           |
| Investment in an associate                 | 12   | 11,911                  | -                | 12,239                    | -                |
| Investments in jointly controlled entities | 13   | 15,960                  | 20,300           | 20,091                    | 20,356           |
| Other investments                          | 14   | 47,352                  | 807              | 41,137                    | -                |
| Deferred tax assets                        | 15   | 632                     | 486              | -                         | -                |
| Other receivables                          | 16   | -                       | -                | 28,549                    | 56,958           |
| Other non-current assets                   | 17   | 1,825                   | -                | -                         | -                |
| <b>Total non-current assets</b>            |      | <b>772,891</b>          | <b>730,240</b>   | <b>817,361</b>            | <b>817,297</b>   |
| <b>Current assets</b>                      |      |                         |                  |                           |                  |
| Inventories                                | 18   | 85,514                  | 214,910          | 84,658                    | 214,377          |
| Trade and other receivables                | 16   | 197,332                 | 161,584          | 141,290                   | 101,514          |
| Current tax assets                         |      | 1,386                   | 889              | -                         | -                |
| Cash and cash equivalents                  | 19   | 773,229                 | 621,556          | 562,778                   | 474,981          |
| <b>Total current assets</b>                |      | <b>1,057,461</b>        | <b>998,939</b>   | <b>788,726</b>            | <b>790,872</b>   |
| <b>TOTAL ASSETS</b>                        |      | <b>1,830,352</b>        | <b>1,729,179</b> | <b>1,606,087</b>          | <b>1,608,169</b> |

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

# Balance Sheets

as at 31 December 2009 (cont'd)

|   | Note | Group<br>2009<br>RM'000 | 2008<br>RM'000   | Company<br>2009<br>RM'000 | 2008<br>RM'000   |
|---|------|-------------------------|------------------|---------------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                               |      |                         |                  |                           |                  |
| <b>Equity attributable to equity holders of the Company</b> |      |                         |                  |                           |                  |
| Share capital   | 20   | 738,564                 | 738,564          | 738,564                   | 738,564          |
| Treasury shares   | 20   | (225)                   | -                | (225)                     | -                |
| Reserves  | 21   | 515,767                 | 472,306          | 451,075                   | 450,482          |
|   |      | 1,254,106               | 1,210,870        | 1,189,414                 | 1,189,046        |
| Minority interest   |      | 28,778                  | 23,117           | -                         | -                |
| <b>TOTAL EQUITY</b>   |      | <b>1,282,884</b>        | <b>1,233,987</b> | <b>1,189,414</b>          | <b>1,189,046</b> |
| <b>Non-current liabilities</b>                              |      |                         |                  |                           |                  |
| Medium Term Notes   | 22   | -                       | 250,000          | -                         | 250,000          |
| Retirement benefits   | 23   | -                       | 500              | -                         | 500              |
| Borrowings  | 24   | 45,555                  | 1,265            | -                         | -                |
| Deferred tax liabilities                                    | 15   | 81,140                  | 77,628           | 80,523                    | 69,164           |
| <b>Total non-current liabilities</b>                        |      | <b>126,695</b>          | <b>329,393</b>   | <b>80,523</b>             | <b>319,664</b>   |
| <b>Current liabilities</b>                                  |      |                         |                  |                           |                  |
| Trade and other payables                                    | 26   | 157,135                 | 120,893          | 77,647                    | 91,248           |
| Borrowings  | 24   | 3,410                   | 34,418           | -                         | -                |
| Medium Term Notes   | 22   | 250,000                 | -                | 250,000                   | -                |
| Current tax payable   |      | 10,228                  | 10,488           | 8,503                     | 8,211            |
| <b>Total current liabilities</b>                            |      | <b>420,773</b>          | <b>165,799</b>   | <b>336,150</b>            | <b>99,459</b>    |
| <b>TOTAL LIABILITIES</b>                                    |      | <b>547,468</b>          | <b>495,192</b>   | <b>416,673</b>            | <b>419,123</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         |      | <b>1,830,352</b>        | <b>1,729,179</b> | <b>1,606,087</b>          | <b>1,608,169</b> |

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



# Income Statements

for the financial year ended 31 December 2009

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Revenue  | 27   | 973,921        | 831,040        | 720,471        | 781,037        |
| Cost of sales and services                     |      | (442,936)      | (295,131)      | (277,547)      | (283,543)      |
| Gross profit                                   |      | 530,985        | 535,909        | 442,924        | 497,494        |
| Other income                                   |      | 33,466         | 35,839         | 25,189         | 26,314         |
| Distribution costs                             |      | (142,886)      | (154,334)      | (131,763)      | (146,783)      |
| Administrative and other expenses              |      | (204,089)      | (201,693)      | (141,549)      | (184,118)      |
| Finance costs                                  | 28   | (15,653)       | (14,202)       | (13,950)       | (13,950)       |
|  |      | 201,823        | 201,519        | 180,851        | 178,957        |
| Share of loss of an associate                  | 12   | (328)          | -              | -              | -              |
| Share of losses of jointly controlled entities | 13   | (4,340)        | (56)           | -              | -              |
| Profit before tax                              | 29   | 197,155        | 201,463        | 180,851        | 178,957        |
| Tax expense                                    | 30   | (47,522)       | (62,762)       | (52,862)       | (51,087)       |
| Profit for the financial year                  |      | 149,633        | 138,701        | 127,989        | 127,870        |
| Attributable to:                               |      |                |                |                |                |
| Equity holders of the Company                  |      | 144,711        | 138,905        | 127,989        | 127,870        |
| Minority interest                              |      | 4,922          | (204)          | -              | -              |
|  |      | 149,633        | 138,701        | 127,989        | 127,870        |
| Earnings per ordinary share (sen)              |      |                |                |                |                |
| - Basic  | 31   | 19.59          | 18.81          |                |                |

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

# Statements of Changes in Equity

for the financial year ended 31 December 2009

[ - Attributable to equity holders of the Company - ]

| Group  | Share capital<br>RM'000 | Foreign<br>exchange<br>translation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  | Minority<br>interest<br>RM'000 | Total<br>equity<br>RM'000 |
|--|-------------------------|---|--------------------------------|------------------|--------------------------------|---------------------------|
| Balance as at 31 December 2007   | 738,564                 | 18,505  | 460,921                        | 1,217,990        | 1,066                          | 1,219,056                 |
| Foreign currency translations  | -                       | (19,731)  | -                              | (19,731)         | 232                            | (19,499)                  |
| Loss recognised directly in equity   | -                       | (19,731)  | -                              | (19,731)         | 232                            | (19,499)                  |
| Net profit for the financial year  | -                       | -   | 138,905                        | 138,905          | (204)                          | 138,701                   |
| Total recognised income and<br>expense for the financial year              | -                       | (19,731)  | 138,905                        | 119,174          | 28                             | 119,202                   |
| Acquisitions of subsidiaries   | -                       | -   | -                              | -                | 19,945                         | 19,945                    |
| Ordinary shares contributed by<br>minority shareholders of<br>subsidiaries | -                       | -   | -                              | -                | 2,078                          | 2,078                     |
| Dividends (Note 32)  | -                       | -   | (126,294)                      | (126,294)        | -                              | (126,294)                 |
| <b>Balance as at 31 December 2008</b>                                      | <b>738,564</b>          | <b>(1,226)</b>  | <b>473,532</b>                 | <b>1,210,870</b> | <b>23,117</b>                  | <b>1,233,987</b>          |

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

# Statements of Changes in Equity

for the financial year ended 31 December 2009 (cont'd)

[----- Attributable to equity holders of the Company -----]

| Group   | Share capital<br>RM'000 | Treasury shares<br>RM'000 | Foreign exchange translation reserve<br>RM'000 | Capital reserve<br>RM'000 | Retained earnings<br>RM'000 | Total<br>RM'000  | Minority interest<br>RM'000 | Total equity<br>RM'000 |
|---|-------------------------|---------------------------|--|---------------------------|-----------------------------|------------------|-----------------------------|------------------------|
| Balance as at 31 December 2008  | 738,564                 | -                         | (1,226)  | -                         | 473,532                     | 1,210,870        | 23,117                      | 1,233,987              |
| Foreign currency translations   | -                       | -                         | 25,997   | -                         | -                           | 25,997           | (272)                       | 25,725                 |
| Net income recognised directly in equity  | -                       | -                         | 25,997   | -                         | -                           | 25,997           | (272)                       | 25,725                 |
| Net profit for the financial year   | -                       | -                         | -  | -                         | 144,711                     | 144,711          | 4,922                       | 149,633                |
| Total recognised income and expense for the financial year                                  | -                       | -                         | 25,997   | -                         | 144,711                     | 170,708          | 4,650                       | 175,358                |
| Repurchase of shares  | -                       | (225)                     | -  | -                         | -                           | (225)            | -                           | (225)                  |
| Partial disposal of investment in a subsidiary  | -                       | -                         | -  | -                         | -                           | -                | 5,351                       | 5,351                  |
| Additional investment in a subsidiary   | -                       | -                         | -  | -                         | -                           | -                | (2,504)                     | (2,504)                |
| Share options granted under Employee Share Option Scheme ("ESOS") of a subsidiary (Note 21) | -                       | -                         | -  | 149                       | -                           | 149              | 84                          | 233                    |
| Voluntary liquidation of a subsidiary (Note 34)   | -                       | -                         | -  | -                         | -                           | -                | (1,103)                     | (1,103)                |
| Dividends paid to minority shareholders   | -                       | -                         | -  | -                         | -                           | -                | (817)                       | (817)                  |
| Dividends (Note 32)   | -                       | -                         | -  | -                         | (127,396)                   | (127,396)        | -                           | (127,396)              |
| <b>Balance as at 31 December 2009</b>   | <b>738,564</b>          | <b>(225)</b>              | <b>24,771</b>                                  | <b>149</b>                | <b>490,847</b>              | <b>1,254,106</b> | <b>28,778</b>               | <b>1,282,884</b>       |

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

## Statements of Changes in Equity

for the financial year ended 31 December 2009 (cont'd)

| Company                               | Non-Distributable          |                              | Distributable                |                                | Total<br>RM'000  |
|---------------------------------------|----------------------------|------------------------------|------------------------------|--------------------------------|------------------|
|                                       | Share<br>capital<br>RM'000 | Capital<br>reserve<br>RM'000 | Treasury<br>shares<br>RM'000 | Retained<br>earnings<br>RM'000 |                  |
| Balance as at 31 December 2007        | 738,564                    | 1,722                        | -                            | 447,184                        | 1,187,470        |
| Net profit for the financial year     | -                          | -                            | -                            | 127,870                        | 127,870          |
| Dividends (Note 32)                   | -                          | -                            | -                            | (126,294)                      | (126,294)        |
| Balance as at 31 December 2008        | 738,564                    | 1,722                        | -                            | 448,760                        | 1,189,046        |
| Repurchase of shares                  | -                          | -                            | (225)                        | -                              | (225)            |
| Net profit for the financial year     | -                          | -                            | -                            | 127,989                        | 127,989          |
| Dividends (Note 32)                   | -                          | -                            | -                            | (127,396)                      | (127,396)        |
| <b>Balance as at 31 December 2009</b> | <b>738,564</b>             | <b>1,722</b>                 | <b>(225)</b>                 | <b>449,353</b>                 | <b>1,189,414</b> |

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



# Cash Flow Statements

for the financial year ended 31 December 2009

|  | Note  | Group<br>2009<br>RM'000 | Group<br>2008<br>RM'000 | Company<br>2009<br>RM'000 | Company<br>2008<br>RM'000 |
|--|-------|-------------------------|-------------------------|---------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |       |                         |                         |                           |                           |
| Profit before tax  |       | <b>197,155</b>          | 201,463                 | <b>180,851</b>            | 178,957                   |
| Adjustments for:   |       |                         |                         |                           |                           |
| Allowance for doubtful debts                                   |       | <b>1,831</b>            | 2,968                   | <b>9,546</b>              | 31,883                    |
| Allowance for doubtful debts no longer required                |       | <b>(663)</b>            | (59)                    | <b>(131)</b>              | (59)                      |
| Amortisation of radio licence                                  | 10(b) | <b>1,707</b>            | 1,707                   | -                         | -                         |
| Amortisation of prepaid lease payments for land                | 9     | <b>614</b>              | 613                     | <b>614</b>                | 613                       |
| Amortisation of club membership                                | 10(c) | <b>270</b>              | -                       | -                         | -                         |
| Bad debts written off  |       | <b>6</b>                | 6                       | <b>6</b>                  | 4                         |
| Depreciation of investment properties                          | 8     | <b>391</b>              | 380                     | <b>391</b>                | 380                       |
| Depreciation of property, plant and equipment                  | 7     | <b>47,347</b>           | 42,863                  | <b>42,080</b>             | 41,177                    |
| Loss / (Gain) on voluntary liquidation of a subsidiary         |       | <b>16</b>               | -                       | <b>(96)</b>               | -                         |
| Impairment losses of goodwill                                  | 10(a) | -                       | 24,300                  | -                         | -                         |
| Impairment losses of investments in subsidiaries               | 11    | -                       | -                       | <b>1,680</b>              | 11,405                    |
| Impairment losses of investment in jointly controlled entity   | 13    | -                       | -                       | <b>265</b>                | -                         |
| Interest expenses  | 28    | <b>15,653</b>           | 14,202                  | <b>13,950</b>             | 13,950                    |
| Interest income  |       | <b>(14,694)</b>         | (22,656)                | <b>(9,761)</b>            | (14,649)                  |
| Investment income  |       | <b>(3,073)</b>          | (3,330)                 | <b>(3,073)</b>            | (3,330)                   |
| Net loss / (gain) on disposal of property, plant and equipment |       | <b>533</b>              | (1,088)                 | <b>534</b>                | (150)                     |
| Loss on partial disposal of investment in subsidiary           |       | <b>626</b>              | -                       | -                         | -                         |
| Property, plant and equipment written off                      |       | <b>808</b>              | 38                      | <b>703</b>                | 38                        |
| Provision for retirement benefits                              | 23    | -                       | 1,455                   | -                         | 1,455                     |
| Provision for unutilised staff leave                           | 26(d) | <b>434</b>              | 189                     | -                         | -                         |
| Shares of loss of an associate                                 |       | <b>328</b>              | -                       | -                         | -                         |
| Share of losses of jointly controlled entities                 |       | <b>4,340</b>            | 56                      | -                         | -                         |
| Share options granted under ESOS                               |       | <b>233</b>              | -                       | -                         | -                         |
| Operating profit before working capital changes                |       | <b>253,862</b>          | 263,107                 | <b>237,559</b>            | 261,674                   |

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

# Cash Flow Statements

for the financial year ended 31 December 2009 (cont'd)

|   | Note | Group<br>2009<br>RM'000 | 2008<br>RM'000 | Company<br>2009<br>RM'000 | 2008<br>RM'000 |
|---|------|-------------------------|----------------|---------------------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)</b>                |      |                         |                |                           |                |
| Operating profit before working capital changes                     |      | 253,862                 | 263,107        | 237,559                   | 261,674        |
| Changes in working capital:   |      |                         |                |                           |                |
| Inventories   |      | 129,401                 | (53,742)       | 129,719                   | (53,260)       |
| Trade and other receivables   |      | (30,749)                | 9,522          | 1,210                     | 8,692          |
| Trade and other payables  |      | 30,981                  | 15,086         | (13,374)                  | 12,569         |
| Cash generated from operations                                      |      | 383,495                 | 233,973        | 355,114                   | 229,675        |
| Tax paid  |      | (46,909)                | (66,279)       | (41,211)                  | (62,481)       |
| Tax refund  |      | 1,429                   | -              | -                         | -              |
| Retirement benefits paid  |      | (500)                   | (8,649)        | (500)                     | (8,649)        |
| Net cash from operating activities                                  |      | 337,515                 | 159,045        | 313,403                   | 158,545        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |      |                         |                |                           |                |
| Proceeds from disposal of property, plant and equipment             |      | 673                     | 1,458          | 479                       | 380            |
| Proceeds from partial disposal of a subsidiary                      |      | 9,006                   | -              | -                         | -              |
| Purchases of property, plant and equipment                          | 7    | (15,357)                | (11,429)       | (13,080)                  | (9,375)        |
| Purchases of investment properties                                  | 8    | (11,596)                | -              | (11,596)                  | -              |
| Purchases of other investments                                      | 14   | (47,352)                | -              | (41,137)                  | -              |
| Acquisition of subsidiaries, net of cash acquired                   |      | (12)                    | (69,653)       | -                         | -              |
| Additional investments in subsidiaries                              |      | (6,670)                 | -              | (10)                      | (4)            |
| Acquisition of investments in jointly controlled entities           |      | -                       | (20,356)       | -                         | (20,356)       |
| Acquisition of investments in an associate                          | 12   | (12,239)                | -              | (12,239)                  | -              |
| Cash received upon liquidation of a subsidiary                      |      | -                       | -              | 2,548                     | -              |
| Cash paid to minority shareholders upon liquidation of a subsidiary | 34   | (1,111)                 | -              | -                         | -              |
| Advances to subsidiaries  |      | -                       | -              | (21,834)                  | (57,672)       |
| Interest received   |      | 11,832                  | 22,656         | 9,761                     | 14,649         |
| Investment income received  |      | 3,073                   | 3,330          | 3,073                     | 3,330          |
| Net cash used in investing activities                               |      | (69,753)                | (73,994)       | (84,035)                  | (69,048)       |

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

# Cash Flow Statements

for the financial year ended 31 December 2009 (cont'd)

|   | Note | 2009<br>RM'000 | Group<br>2008<br>RM'000 | 2009<br>RM'000 | Company<br>2008<br>RM'000 |
|---|------|----------------|-------------------------|----------------|---------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |      |                |                         |                |                           |
| Repayment for finance lease liabilities                       |      | (898)          | (22)                    | -              | -                         |
| Repayment of term loan  |      | (695)          | -                       | -              | -                         |
| Repurchase of shares  |      | (225)          | -                       | (225)          | -                         |
| Drawdown of term loan   |      | 4,941          | 34,251                  | -              | -                         |
| Proceeds from the issuance of shares to minority shareholders |      | -              | 2,078                   | -              | -                         |
| Interest paid   |      | (15,653)       | (14,202)                | (13,950)       | (13,950)                  |
| Dividends paid  |      | (127,396)      | (126,294)               | (127,396)      | (126,294)                 |
| Dividends paid by a subsidiary to minority shareholders       |      | (817)          | -                       | -              | -                         |
| Net cash used in financing activities                         |      | (140,743)      | (104,189)               | (141,571)      | (140,244)                 |
| Net increase / (decrease) in cash and cash equivalents        |      | 127,019        | (19,138)                | 87,797         | (50,747)                  |
| Effect of exchange rates fluctuations on cash held            |      | 24,654         | (17,382)                | -              | -                         |
| Cash and cash equivalents as at beginning of financial year   |      | 621,556        | 658,076                 | 474,981        | 525,728                   |
| Cash and cash equivalents as at end of financial year         | 19   | 773,229        | 621,556                 | 562,778        | 474,981                   |

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

# Notes to the Financial Statements

31 December 2009

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Level 15, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 11 March 2010.

## 2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the publication, printing and distribution of newspapers and magazines. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of certain leasehold buildings) except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgements in the process of applying the Group's accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

### 4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of a business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of a business combination is allocated to the identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.6.1 to the financial statements). If the cost of the business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in the income statements any excess remaining after that reassessment.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.2 Basis of consolidation (cont'd)

Where a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the income statements and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in income statements. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

### 4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant to the total cost of the asset and which has different useful life, is depreciated separately.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.3 Property, plant and equipment and depreciation (cont'd)

After initial recognition, property, plant and equipment except for leasehold buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. The leasehold buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on other property, plant and equipment is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

|  |                      |
|--|----------------------|
| Buildings  | 30 years to 50 years |
| Plant and machinery  | 5.56% - 25%          |
| Furniture, fittings and equipment, renovation and motor vehicles | 10% - 50%            |
| Exhibition services assets                                       | 10 %                 |

Freehold land is not depreciated as it has an infinite life. Construction-in-progress represents plant and buildings under construction and renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in the income statements and the revaluation reserve related to those assets, if any, is transferred directly to retained earnings.

### 4.4 Investment properties

Investment properties are properties which are held to earn rentals or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to the income statements on a straight line basis over the estimated useful lives of the investment properties. The estimated useful lives of the buildings are within 30 years to 50 years.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefits is expected from its disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in the income statements in the period of the retirement or disposal.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.5 Leases and hire purchase

#### 4.5.1 Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in income statements over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

#### 4.5.2 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term.

#### 4.5.3 Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements of the lease in proportion to the relative fair values of the leasehold interest in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risks and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Notes 4.5.1 and 4.5.2 to the financial statements. If the lease payments cannot be allocated reliably between leasehold land and buildings, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.6 Intangible assets

#### 4.6.1 Goodwill

Goodwill acquired in business combination recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### 4.6.2 Radio licence

Radio licence acquired has finite useful life and is shown at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated on a straight line basis to write off the cost of the radio licence over its remaining estimated useful life which will be expiring on 31 March 2010.

#### 4.6.3 Club membership

The Group has reviewed the useful life of the club membership during the financial year and due to changes in circumstances, the useful life of the club membership is now assessed to be finite and accordingly will be amortised over its estimated useful life over 3 years. The changes in accounting estimates has resulted in an amortisation of club membership of SGD110,000 in the current financial year as well as the next 2 years.

As at the end of the financial year, the club membership is stated at cost less amortisation and any impairment losses.

### 4.7 Investments

#### (a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, are stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and their carrying amounts is included in the income statements.

#### (b) Associate

An associate is an entity over which the Group and the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the associate.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.7 Investments (cont'd)

#### (b) Associate (cont'd)

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's income statement. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in income statements.

#### (c) Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entities over which there is contractually agreed sharing of joint control over the economic activity of the entity. Joint control exists when strategic financial and operational decisions relating to the activity require the unanimous consent of all the parties sharing control.

In the Company's separate financial statements, an investment in jointly controlled entities is stated at cost less impairment losses, if any.

The investment in jointly controlled entity is accounted for in the consolidated financial statements using the equity method of accounting. The Group's share of the profit or loss of the jointly controlled entity during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. Where necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of the jointly controlled entity to ensure consistency of accounting policies with those of the Group.

Upon disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in the income statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.7 Investments (cont'd)

#### (d) Other investments

Non-current investments other than investments in subsidiaries, associate, jointly controlled entities and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statements.

### 4.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average or first-in first-out basis. Cost comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4.9 Amounts due from / to customers for contract work

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total costs incurred on contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

### 4.10 Impairment of assets

The carrying amounts of assets, except for financial assets (the financial assets in this context do not include investments in subsidiaries, associate and jointly controlled entities), inventories, deferred tax assets and assets arising from contract work are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that goodwill or intangible assets might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash-generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the income statements when the carrying amount of the asset or the CGU, including the allocated goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.10 Impairment of assets (cont'd)

An impairment loss is recognised in the income statements immediately except for the impairment on a revalued asset when the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statements.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in the income statements except for the reversal of an impairment loss on revalued assets where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

### 4.11 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

### 4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

#### 4.12.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheets when the Group has become a party to the contractual provisions of the instruments.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.12 Financial instruments (cont'd)

#### 4.12.1 Financial instruments recognised on the balance sheets (cont'd)

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in the income statements. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### (a) Receivables

Trade receivables and other receivables, including amounts owing by related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation*.

Receivables are carried at anticipated realisable value. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

##### (b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits with licensed financial institutions and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

##### (c) Payables

Liabilities for trade and other amounts payable, including amounts owing to related parties, are measured initially and subsequently at the consideration to be paid in the future for goods and services received. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

##### (d) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

##### (e) Medium Term Notes

The Medium Term Notes are recognised in the financial statements of the Group and the Company based on the proceeds received. The difference between the proceeds and the settlement and the total amount of payments of these borrowings are allocated to periods over the term of the borrowings at a constant rate on the carrying amount and are charged to the income statements.

##### (f) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statements.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.12 Financial instruments (cont'd)

#### 4.12.1 Financial instruments recognised on the balance sheets (cont'd)

##### (f) Equity instruments (cont'd)

Dividends to shareholders are recognised in equity in the period in which they are declared.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in the income statements on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

#### 4.12.2 Financial instruments not recognised on the balance sheets

The Group is a party to financial instruments that comprise foreign currency forward contracts. These instruments are not recognised in the financial statements on inception.

##### (a) Foreign currency forward contracts

Foreign currency forward contracts are used to hedge foreign exposures as a result of receipts and payments in foreign currency. Any gain or losses arising from contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions at which time they are included in the measurement of such transactions.

##### (b) Fair value estimation for disclosure purposes

The fair value of publicly traded derivatives and securities is based on market prices at the balance sheet date.

The fair value of foreign currency forward contracts is determined using foreign exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The fair values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their face values.

### 4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to income statements. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in income statements in the period in which they are incurred.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

### 4.15 Employee benefits

#### 4.15.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group and the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

#### 4.15.2 Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

#### 4.15.3 Share-based payments

A subsidiary within the Group, Cityneon Holdings Limited ("Cityneon"), a company incorporated in Singapore and listed on the Main Board of Singapore Exchange Securities Trading Limited, has an Employee Share Option Scheme ("ESOS"). The ESOS is administered by its Remuneration and Share Option Committee and offered to the employees of Cityneon and its subsidiaries.

The equity-settled share-based compensation plan allows the employees of Cityneon and its subsidiaries to acquire ordinary shares of Cityneon at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on the vesting date.

At each balance sheet date, Cityneon revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in income statements, and a corresponding adjustment to equity over the remaining vesting period.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.15 Employee benefits (cont'd)

#### 4.15.3 Share-based payments (cont'd)

The equity amount is recognised in the Group's capital - share options reserve until the options are exercised, upon which the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the capital - share options reserve are credited to the equity of Cityneon. At Group level, share options of Cityneon which are exercised but do not result in a loss of control by the Group, are accounted for as equity transactions.

The share options reserve is credited to retained earnings of the Group upon expiry of the share options.

#### 4.15.4 Retirement benefits

Retirement benefits relate to benefits given to senior management, which represent cost accrued based on the number of years of service and last drawn salaries.

### 4.16 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Taxes in the income statements comprise current tax and deferred tax.

#### 4.16.1 Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

#### 4.16.2 Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheets and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the income statements for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.17 Foreign currencies

#### 4.17.1 Functional and presentation currency

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

#### 4.17.2 Foreign currency translations and balances

Transactions in foreign currencies are converted into the functional currency of each company in the Group at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into the functional currency of each company in the Group at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statements in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

#### 4.17.3 Foreign operations

Financial statements of foreign operations are translated at financial year end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statements. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed off or sold, exchange differences that were recorded in equity are recognised in income statements as part of the gain or loss on disposal.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the balance sheet date.

### 4.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

#### (a) Sale of goods

Revenue from sale of goods represents the invoiced value arising from the publication, printing and distribution of newspapers, magazines and online advertisements (net of returns and service tax).

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customers and where the Group retains no continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

#### (b) Services

Revenue from services represents the invoiced value arising from the broadcasting of commercials on radio (net of service tax) and provision of services on training and consultancy (net of service tax).



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 4.18 Revenue recognition (cont'd)

#### (c) Projects

Revenue and expenses from contract works of event management, exhibition services and thematic are recognised based on the percentage of completion method. Percentage of completion is measured by the percentage of contract costs incurred to date against the total estimated costs for each contract or the period spent on the project to date against the total budgeted period for each contract. Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements may result in revisions to costs and revenues and are recognised in the period in which the revisions are determined.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised, which are recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### (d) Interest income

Interest income is recognised as it accrues using effective interest method.

#### (e) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

#### (f) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

### 4.19 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

### 5.1 New FRSs not adopted

- (a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the entity that management uses to make decisions about operating matters. This Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

This Standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this Standard.

However, the Group is in the process of assessing the impact of impairment on cash-generating units based on the new definition of operating segments and would only be able to provide further information in the interim financial statements followed by the next annual consolidated financial statements.

- (b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202<sub>2004</sub> *General Insurance Business* and FRS 203<sub>2004</sub> *Life Insurance Business*.

This Standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. This Standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This Standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

By virtue of the exemption provided under paragraph 41AA of FRS 4, the impact of applying FRS 4 on the financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

- (c) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation*.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

- (d) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (e) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

- (f) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.

- (g) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* is mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of these amendments.

- (h) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

- (i) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation in the future.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (j) IC Interpretation 11 *FRS 2 - Group and Treasury Share Transactions* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expenses for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation in the future.

- (k) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

This Interpretation is not applicable to the Group's operations.

- (l) IC Interpretation 14 *FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the balance sheet date less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (m) FRS 101 *Presentation of Financial Statements* is mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instrument.

Apart from the new presentation and disclosure requirements described, the Group does not expect any other material impact on the consolidated financial statements arising from the adoption of this Standard.

- (n) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarify the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact of applying these amendments on the consolidated financial statements upon first adoption of the FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed. However, the Group does not expect any impact on the consolidated financial statements arising from the adoption of the amendment to IC Interpretation 9.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (o) Amendments to FRS 132 *Financial Instruments: Presentation* is mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro-rata share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

Presently, the Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 139 and would only be able to provide further information in the interim financial statements followed by the next annual financial statements.

- (p) *Improvements to FRSs (2009)* are mandatory for annual financial periods beginning on or after 1 January 2010.
- (i) Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. This amendment is not applicable to the Group's operations.
  - (ii) Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
  - (iii) Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
  - (iv) Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
  - (v) Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting date but before the financial statements are authorised for issue. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
  - (vi) Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 *Investment Property*. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 *Revenue* rather than FRS 5. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
  - (vii) Amendment to FRS 117 *Leases* removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. The Group expects to reclassify the prepaid lease payments for land upon adoption of this amendment and shall present a statement of financial position as at the beginning of the earliest comparative period in accordance with FRS 101.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (p) *Improvements to FRSs (2009)* are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)
- (viii) Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (ix) Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve (12) months in the distinction between short term employee benefits and other long term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (x) Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment is not applicable to the Group's operations.
- (xi) Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xii) Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xiii) Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xiv) Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. This amendment is not applicable to the Group's operations.
- (xv) Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xvi) Amendment to FRS 134 *Interim Financial Reporting* clarifies the need to present basic and diluted earnings per share for an interim period when the entity is within the scope of FRS 133 *Earnings per Share*. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (p) *Improvements to FRSs (2009)* are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)
- (xvii) Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. Presently, the Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment. However, the Group is in the process of assessing the impact of this Standard in conjunction with the implementation of FRS 8 and would only be able to provide further information in the interim financial statements followed by the next annual financial statements.
- (xviii) Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight line method. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (xix) Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (q) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

- (i) All assets and liabilities shall be recognised in accordance with FRSs;
- (ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
- (iii) Items recognised in accordance with previous Generally Accepted Accounting Principles ("GAAP") shall be reclassified in accordance with FRSs; and
- (iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (r) FRS 3 *Business Combinations* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrivable of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date at fair value and recognise the resulting gain or loss in profit or loss.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard.

- (s) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Standard.

- (t) Amendments to FRSs are mandatory for annual financial periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which are mandatory for annual financial periods beginning on or after 1 January 2010.

- (i) Amendments to FRS 2 *Share-based Payments* clarify that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (t) Amendments to FRSs are mandatory for annual financial periods beginning on or after 1 July 2010, except for Amendments to FRS 139 which are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)
- (ii) Amendments to FRS 5 clarify that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (iii) Amendments to FRS 138 clarify that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (iv) Amendments to FRS 139 remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (v) Amendments to IC Interpretation 9 clarify that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this amendment.
- (u) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 *Construction Contracts* and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

This Interpretation is not applicable to the Group's operations.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (v) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and / or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

This Interpretation is not applicable to the Group's operations.

- (w) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

- (x) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual financial periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

### 5.1 New FRSs not adopted (cont'd)

- (x) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual financial periods beginning on or after 1 July 2010. (cont'd)

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. The Group does not expect any material impact on the consolidated financial statements arising from the adoption of this Interpretation.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

### 6.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

- (a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

- (b) Contingent liabilities

The determination of treatment of contingent liabilities is based on Directors' and management's view of the expected outcome of the contingencies, after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of the business.

### 6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- (a) Impairment of goodwill on consolidation

The Group tests goodwill on consolidation for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. Further details are disclosed in Note 10 to the financial statements.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.2 Key sources of estimation uncertainty (cont'd)

(b) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(c) Income taxes

The Group is subject to income taxes in a few jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(e) Allowance for diminution in value of investments

The Group makes allowance for diminution in value of investments based on an assessment of whether there is a decline in the value of such investments that is other than temporary. The assessment involves judgement and is made based on amongst others, historical performance of the investments and current market conditions that may have an impact on the market value of the investments.

(f) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of allowance for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(g) Amount due from subsidiaries

The Company assesses recoverability of amount due from subsidiaries on an annual basis. Allowances are applied to amount due where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

(h) Construction contract

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of the financial year, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date against the estimated total contract costs. Significant assumptions are required to estimate the total contract cost and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the work specialists. The carrying amounts of assets and liabilities arising from construction at the end of the financial year are disclosed in Notes 16 and 26 to the financial statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 6.2 Key sources of estimation uncertainty (cont'd)

- (i) Revenue and expenses recognition of projects/contracts arising from exhibition services and event management

The Group recognises exhibition services and event management revenue and expenses in the income statements by using the percentage of completion method. The stage of completion is determined by the proportion of contracts costs incurred for work performed to date against total estimated costs.

Significant judgements are required in determining the stage of completion, the extent of the contract costs incurred, the estimated total exhibition services and event management revenue and costs, as well as the recoverability of these exhibition and event management projects. In making the judgement, the Group evaluates based on past experience.

- (j) Fair values of acquisitions of subsidiaries

The fair values of net assets of newly acquired subsidiaries were estimated based on management's best estimates and judgement. In evaluating the fair values, management will specifically analyse the historical information, net worth of the subsidiaries acquired together with comparable multiples. Where expectations differ from the original estimates, the differences will impact the carrying amount of assets and liabilities of these subsidiaries.

- (k) Fair values of borrowings and Medium Term Notes

The fair values of borrowings and Medium Term Notes are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on similar size and business risk.

- (l) Fair values of other investments

The methods and assumptions used by the management to determine fair values of other investments are as follows:

The fair value of quoted investments is the closing market price at the balance sheet date.

Fair value, in the absence of an active market, is estimated by using discounted cash flow analysis. Estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yield, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter-parties. Discount rates are influenced by risk-free interest rates and credit risk.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT

| Group<br>2009                    | Freehold<br>land<br>RM'000 | Freehold<br>buildings<br>RM'000 | Leasehold<br>buildings<br>RM'000 | Plant and<br>machinery<br>RM'000 | Furniture,<br>fittings and<br>equipment,<br>renovations<br>and motor<br>vehicles<br>RM'000 | Plant<br>and<br>buildings<br>under<br>construction<br>RM'000 | Exhibition<br>services<br>assets<br>RM'000 | Total<br>RM'000 |
|----------------------------------|----------------------------|---------------------------------|----------------------------------|----------------------------------|--|--|--|-----------------|
| <b>Cost / Valuation</b>          |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January                     |                            |                                 |                                  |                                  |  |  |  |                 |
| - at cost                        | 46,447                     | 126,907                         | 19,529                           | 575,881                          | 140,601  | 1,308  | 13,136                                     | 923,809         |
| - at valuation                   | -                          | -                               | 800                              | -                                | -  | -  | -  | 800             |
| Additions                        | -                          | 11                              | -                                | 10,311                           | 13,945   | 602  | 74   | 24,943          |
| Exchange<br>adjustments          | -                          | -                               | -                                | 7                                | 2,037  | -  | (19)                                       | 2,025           |
| Reclassification                 | -                          | -                               | 190                              | (190)                            | -  | -  | -  | -               |
| Disposals                        | -                          | -                               | -                                | (481)                            | (2,738)  | -  | (28)                                       | (3,247)         |
| Written off                      | -                          | -                               | (30)                             | -                                | (3,601)  | (655)  | (90)                                       | (4,376)         |
| <b>At 31 December</b>            | <b>46,447</b>              | <b>126,918</b>                  | <b>20,489</b>                    | <b>585,528</b>                   | <b>150,244</b>   | <b>1,255</b>   | <b>13,073</b>                              | <b>943,954</b>  |
| <b>Accumulated depreciation</b>  |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January                     | -                          | 17,130                          | 3,444                            | 182,959                          | 106,783  | -  | 8,852                                      | 319,168         |
| Exchange<br>adjustments          | -                          | -                               | -                                | 5                                | 2,026  | -  | (32)                                       | 1,999           |
| Charge for the<br>financial year | -                          | 2,538                           | 512                              | 30,070                           | 13,025   | -  | 1,202                                      | 47,347          |
| Disposals                        | -                          | -                               | -                                | (481)                            | (1,536)  | -  | (24)                                       | (2,041)         |
| Written off                      | -                          | -                               | (10)                             | -                                | (3,516)  | -  | (42)                                       | (3,568)         |
| <b>At 31 December</b>            | <b>-</b>                   | <b>19,668</b>                   | <b>3,946</b>                     | <b>212,553</b>                   | <b>116,782</b>   | <b>-</b>   | <b>9,956</b>                               | <b>362,905</b>  |
| <b>Accumulated impairment</b>    |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January/<br>31 December     | -                          | -                               | -                                | 1,063                            | -  | -  | -  | 1,063           |
| <b>Carrying amount</b>           |                            |                                 |                                  |                                  |  |  |  |                 |
| At 31 December                   |                            |                                 |                                  |                                  |  |  |  |                 |
| - at cost                        | 46,447                     | 107,250                         | 16,518                           | 371,912                          | 33,462   | 1,255  | 3,117                                      | 579,961         |
| - at valuation                   | -                          | -                               | 25                               | -                                | -  | -  | -  | 25              |
|                                  | <b>46,447</b>              | <b>107,250</b>                  | <b>16,543</b>                    | <b>371,912</b>                   | <b>33,462</b>  | <b>1,255</b>   | <b>3,117</b>                               | <b>579,986</b>  |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| Group<br>2008                               | Freehold<br>land<br>RM'000 | Freehold<br>buildings<br>RM'000 | Leasehold<br>buildings<br>RM'000 | Plant and<br>machinery<br>RM'000 | Furniture,<br>fittings and<br>equipment,<br>renovations<br>and motor<br>vehicles<br>RM'000 | Plant<br>and<br>buildings<br>under<br>construction<br>RM'000 | Exhibition<br>services<br>assets<br>RM'000 | Total<br>RM'000 |
|---|----------------------------|---------------------------------|----------------------------------|----------------------------------|--|--|--|-----------------|
| <b>Cost / Valuation</b>                     |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January                                |                            |                                 |                                  |                                  |  |  |  |                 |
| - at cost                                   | 46,447                     | 126,900                         | 19,462                           | 602,824                          | 124,819  | 483  | -  | 920,935         |
| - at valuation                              | -                          | -                               | 800                              | -                                | -  | -  | -  | 800             |
| Acquisition<br>of subsidiaries<br>(Note 33) | -                          | -                               | -                                | 737                              | 9,491  | -  | 13,119                                     | 23,347          |
| Additions                                   | -                          | 7                               | 67                               | 662                              | 9,867  | 825  | 1  | 11,429          |
| Exchange<br>adjustments                     | -                          | -                               | -                                | 23                               | (1,065)  | -  | 227  | (815)           |
| Disposals                                   | -                          | -                               | -                                | (27,618)                         | (1,508)  | -  | (211)                                      | (29,337)        |
| Written off                                 | -                          | -                               | -                                | (747)                            | (1,003)  | -  | -  | (1,750)         |
| <b>At 31 December</b>                       | <b>46,447</b>              | <b>126,907</b>                  | <b>20,329</b>                    | <b>575,881</b>                   | <b>140,601</b>   | <b>1,308</b>   | <b>13,136</b>                              | <b>924,609</b>  |
| <b>Accumulated depreciation</b>             |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January                                | -                          | 14,595                          | 2,933                            | 181,635                          | 94,599   | -  | -  | 293,762         |
| Acquisition<br>of subsidiaries<br>(Note 33) | -                          | -                               | -                                | 448                              | 5,011  | -  | 8,737                                      | 14,196          |
| Exchange<br>adjustments                     | -                          | -                               | -                                | 14                               | (1,131)  | -  | 143  | (974)           |
| Charge for the<br>financial year            | -                          | 2,535                           | 511                              | 29,192                           | 10,518   | -  | 107  | 42,863          |
| Disposals                                   | -                          | -                               | -                                | (27,583)                         | (1,249)  | -  | (135)                                      | (28,967)        |
| Written off                                 | -                          | -                               | -                                | (747)                            | (965)  | -  | -  | (1,712)         |
| <b>At 31 December</b>                       | <b>-</b>                   | <b>17,130</b>                   | <b>3,444</b>                     | <b>182,959</b>                   | <b>106,783</b>   | <b>-</b>   | <b>8,852</b>                               | <b>319,168</b>  |
| <b>Accumulated impairment</b>               |                            |                                 |                                  |                                  |  |  |  |                 |
| At 1 January/<br>31 December                | -                          | -                               | -                                | 1,063                            | -  | -  | -  | 1,063           |
| <b>Carrying amount</b>                      |                            |                                 |                                  |                                  |  |  |  |                 |
| At 31 December                              |                            |                                 |                                  |                                  |  |  |  |                 |
| - at cost                                   | 46,447                     | 109,777                         | 16,830                           | 391,859                          | 33,818   | 1,308  | 4,284                                      | 604,323         |
| - at valuation                              | -                          | -                               | 55                               | -                                | -  | -  | -  | 55              |
|   | <b>46,447</b>              | <b>109,777</b>                  | <b>16,885</b>                    | <b>391,859</b>                   | <b>33,818</b>  | <b>1,308</b>   | <b>4,284</b>                               | <b>604,378</b>  |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| Company<br>2009                  | Freehold<br>land<br>RM'000 | Freehold<br>buildings<br>RM'000 | Leasehold<br>buildings<br>RM'000 | Plant and<br>machinery<br>RM'000 | Furniture,<br>fittings and<br>equipment,<br>renovations<br>and motor<br>vehicles<br>RM'000 | Plant and<br>buildings<br>under<br>construction<br>RM'000 | Total<br>RM'000 |
|----------------------------------|----------------------------|---------------------------------|----------------------------------|----------------------------------|--|---|-----------------|
| <b>Cost / Valuation</b>          |                            |                                 |                                  |                                  |  |   |                 |
| At 1 January                     |                            |                                 |                                  |                                  |  |   |                 |
| - at cost                        | 46,447                     | 126,907                         | 19,529                           | 556,868                          | 115,462  | 1,308   | 866,521         |
| - at valuation                   | -                          | -                               | 800                              | -                                | -  | -   | 800             |
| Additions                        | -                          | 11                              | -                                | 793                              | 11,674   | 602   | 13,080          |
| Disposals                        | -                          | -                               | -                                | (460)                            | (2,182)  | -   | (2,642)         |
| Transfer to<br>subsidiaries      | -                          | -                               | -                                | -                                | (455)  | -   | (455)           |
| Reclassification                 | -                          | -                               | 190                              | -                                | -  | (190)   | -               |
| Written off                      | -                          | -                               | (30)                             | -                                | (2,687)  | (655)   | (3,372)         |
| <b>At 31 December</b>            | <b>46,447</b>              | <b>126,918</b>                  | <b>20,489</b>                    | <b>557,201</b>                   | <b>121,812</b>   | <b>1,065</b>  | <b>873,932</b>  |
| <b>Accumulated depreciation</b>  |                            |                                 |                                  |                                  |  |   |                 |
| At 1 January                     | -                          | 17,130                          | 3,444                            | 168,396                          | 88,825   | -   | 277,795         |
| Charge for the<br>financial year | -                          | 2,538                           | 512                              | 28,579                           | 10,451   | -   | 42,080          |
| Disposals                        | -                          | -                               | -                                | (460)                            | (1,169)  | -   | (1,629)         |
| Transfer to<br>subsidiaries      | -                          | -                               | -                                | -                                | (64)   | -   | (64)            |
| Written off                      | -                          | -                               | (10)                             | -                                | (2,659)  | -   | (2,669)         |
| <b>At 31 December</b>            | <b>-</b>                   | <b>19,668</b>                   | <b>3,946</b>                     | <b>196,515</b>                   | <b>95,384</b>  | <b>-</b>  | <b>315,513</b>  |
| <b>Carrying amount</b>           |                            |                                 |                                  |                                  |  |   |                 |
| At 31 December                   |                            |                                 |                                  |                                  |  |   |                 |
| - at cost                        | 46,447                     | 107,250                         | 16,518                           | 360,686                          | 26,428   | 1,065   | 558,394         |
| - at valuation                   | -                          | -                               | 25                               | -                                | -  | -   | 25              |
|                                  | <b>46,447</b>              | <b>107,250</b>                  | <b>16,543</b>                    | <b>360,686</b>                   | <b>26,428</b>  | <b>1,065</b>  | <b>558,419</b>  |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

| Company<br>2008                 | Freehold<br>land<br>RM'000 | Freehold<br>buildings<br>RM'000 | Leasehold<br>buildings<br>RM'000 | Plant and<br>machinery<br>RM'000 | Furniture,<br>fittings and<br>equipment,<br>renovations<br>and motor<br>vehicles<br>RM'000 | Plant and<br>buildings<br>under<br>construction<br>RM'000 | Total<br>RM'000 |
|---------------------------------|----------------------------|---------------------------------|----------------------------------|----------------------------------|--|---|-----------------|
| <b>Cost / Valuation</b>         |                            |                                 |                                  |                                  |  |   |                 |
| At 1 January                    |                            |                                 |                                  |                                  |  |   |                 |
| - at cost                       | 46,447                     | 126,900                         | 19,462                           | 557,682                          | 109,682  | 483   | 860,656         |
| - at valuation                  | -                          | -                               | 800                              | -                                | -  | -   | 800             |
| Additions                       | -                          | 7                               | 67                               | 447                              | 8,029  | 825   | 9,375           |
| Disposals                       | -                          | -                               | -                                | (514)                            | (1,246)  | -   | (1,760)         |
| Written off                     | -                          | -                               | -                                | (747)                            | (1,003)  | -   | (1,750)         |
| <b>At 31 December</b>           | <b>46,447</b>              | <b>126,907</b>                  | <b>20,329</b>                    | <b>556,868</b>                   | <b>115,462</b>   | <b>1,308</b>  | <b>867,321</b>  |
| <b>Accumulated depreciation</b> |                            |                                 |                                  |                                  |  |   |                 |
| At 1 January                    | -                          | 14,595                          | 2,933                            | 141,157                          | 81,175   | -   | 239,860         |
| Charge for the financial year   | -                          | 2,535                           | 511                              | 28,465                           | 9,666  | -   | 41,177          |
| Disposals                       | -                          | -                               | -                                | (479)                            | (1,051)  | -   | (1,530)         |
| Written off                     | -                          | -                               | -                                | (747)                            | (965)  | -   | (1,712)         |
| <b>At 31 December</b>           | <b>-</b>                   | <b>17,130</b>                   | <b>3,444</b>                     | <b>168,396</b>                   | <b>88,825</b>  | <b>-</b>  | <b>277,795</b>  |
| <b>Carrying amount</b>          |                            |                                 |                                  |                                  |  |   |                 |
| At 31 December                  |                            |                                 |                                  |                                  |  |   |                 |
| - at cost                       | 46,447                     | 109,777                         | 16,830                           | 388,472                          | 26,637   | 1,308   | 589,471         |
| - at valuation                  | -                          | -                               | 55                               | -                                | -  | -   | 55              |
|                                 | <b>46,447</b>              | <b>109,777</b>                  | <b>16,885</b>                    | <b>388,472</b>                   | <b>26,637</b>  | <b>1,308</b>  | <b>589,526</b>  |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Certain leasehold buildings of the Group and of the Company were revalued by the Directors of the Company in 1983 based on valuations carried out in 1981 by independent professional valuers on the existing use basis. The Group and the Company are adopting the transitional provisions of International Accounting Standard 16 (Revised) Property, Plant and Equipment, issued by the Malaysian Accounting Standards Board, which allows the Group and the Company to retain the carrying amount on the basis of the previous revaluation. The carrying amount of the revalued leasehold building had the asset been carried at cost is as follows:

|                          | <b>Group and Company</b> |               |
|--------------------------|--------------------------|---------------|
|                          | <b>2009</b>              | <b>2008</b>   |
|                          | <b>RM'000</b>            | <b>RM'000</b> |
| Cost                     | 446                      | 446           |
| Accumulated depreciation | (446)                    | (429)         |
| Carrying amount          | -                        | 17            |

The title of freehold buildings of the Group and the Company with carrying amount of RM46,636,000 (2008: RM48,584,000) have yet to be issued by the relevant authorities.

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

|  | <b>Group</b>  |               | <b>Company</b> |               |
|--|---------------|---------------|----------------|---------------|
|  | <b>2009</b>   | <b>2008</b>   | <b>2009</b>    | <b>2008</b>   |
|  | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Purchase of property, plant and equipment                  | 24,943        | 11,429        | 13,080         | 9,375         |
| Financed by finance lease arrangement                      | (9,586)       | -             | -              | -             |
| Cash payments on purchase of property, plant and equipment | 15,357        | 11,429        | 13,080         | 9,375         |

As at 31 December 2009, the net carrying amount of the Group's property, plant and equipment under hire purchase or finance lease are as follows:

|                | <b>Group</b>  |               |
|----------------|---------------|---------------|
|                | <b>2009</b>   | <b>2008</b>   |
|                | <b>RM'000</b> | <b>RM'000</b> |
| Computers      | 71            | -             |
| Transmitters   | 8,572         | -             |
| Motor vehicles | 1,261         | 1,305         |
|                | 9,904         | 1,305         |

Details of the terms and conditions of the finance lease liabilities are disclosed in Note 25 to the financial statements.

As at the end of the financial year, the cost of motor vehicles which were registered in the name of certain Directors of a subsidiary who are holding the motor vehicles in trust for the Group amounted to SGD585,876 (2008: SGD585,876) equivalent to RM1,447,000 (2008: RM1,433,000).

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 8. INVESTMENT PROPERTIES

|  | Group and Company |        |
|--|-------------------|--------|
|  | 2009              | 2008   |
|  | RM'000            | RM'000 |
| <b>Buildings</b>                           |                   |        |
| <b>Cost</b>                                |                   |        |
| Balance as at 1 January                    | 12,768            | 12,768 |
| Additions during the financial year        | 11,596            | -      |
| Balance as at 31 December                  | 24,364            | 12,768 |
| <b>Accumulated depreciation</b>            |                   |        |
| Balance as at 1 January                    | 3,880             | 3,500  |
| Depreciation charge for the financial year | 391               | 380    |
| Balance as at 31 December                  | 4,271             | 3,880  |
| <b>Carrying amount</b>                     | 20,093            | 8,888  |
| <b>Fair value</b>                          | 27,360            | 12,740 |

The title of a building of the Group and the Company with a carrying amount of RM11,957,000 (2008: RM3,227,000) has yet to be issued by the relevant authority.

The fair value is determined by the Directors based on the information obtained from property agencies and valuation performed by independent professional valuers.

The following are recognised in the income statements in respect of investment properties:

|   | Group and Company |        |
|---|-------------------|--------|
|   | 2009              | 2008   |
|   | RM'000            | RM'000 |
| Rental income (Note 29)                   | 2,229             | 2,203  |
| Direct operating expenses:                |                   |        |
| - income generating investment properties | 191               | 106    |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 9. PREPAID LEASE PAYMENTS FOR LAND

| Leasehold land                                   | Group and Company |                |
|--|-------------------|----------------|
|  | 2009<br>RM'000    | 2008<br>RM'000 |
| <b>Cost</b>                                      |                   |                |
| Balance as at 1 January / 31 December            | <b>50,321</b>     | 50,321         |
| <b>Accumulated amortisation</b>                  |                   |                |
| Balance as at 1 January                          | <b>6,906</b>      | 6,293          |
| Amortisation charge for the financial year       | <b>614</b>        | 613            |
| Balance as at 31 December                        | <b>7,520</b>      | 6,906          |
| <b>Carrying amount</b>                           | <b>42,801</b>     | 43,415         |
| <b>Analysed as:</b>                              |                   |                |
| Long term (unexpired period more than 50 years)  | <b>19,164</b>     | 19,398         |
| Short term (unexpired period less than 50 years) | <b>23,637</b>     | 24,017         |
|  | <b>42,801</b>     | 43,415         |

Included in the carrying amount is an unamortised amount of leasehold land amounting to RM1,013,000 (2008: RM1,080,000), which is retained as surrogate carrying amount in accordance with the transitional provisions of FRS 117. The leasehold land was revalued by the Directors of the Company in 1983 based on valuation carried out in 1981 by an independent professional valuer on the existing use basis. No update of valuation has been performed.

## 10. INTANGIBLE ASSETS

|                           | Note | Group          |                |
|---------------------------|------|----------------|----------------|
|                           |      | 2009<br>RM'000 | 2008<br>RM'000 |
| Goodwill on consolidation | a    | <b>51,362</b>  | 49,834         |
| Radio licence             | b    | <b>425</b>     | 2,132          |
| Club membership           | c    | <b>544</b>     | -              |
|                           |      | <b>52,331</b>  | 51,966         |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 10. INTANGIBLE ASSETS (cont'd)

### (a) Goodwill on consolidation

The carrying amounts of goodwill allocated to the Group's cash-generating unit ("CGU") are as follows:

|   | 2009<br>RM'000 | Group<br>2008<br>RM'000 |
|---|----------------|-------------------------|
| <b>Cost</b>                                     |                |                         |
| Balance as at 1 January                         |                |                         |
| - Radio broadcasting - CGU 1                    | 21,932         | 21,932                  |
| - Education operation - CGU 2                   | 5,187          | 5,187                   |
| - Human capital resources - CGU 3 (Note 33 (d)) | 2,022          | -                       |
| - Exhibition services - CGU 4 (Note 33 (f))     | 50,180         | -                       |
|   | <b>79,321</b>  | <b>27,119</b>           |
| Acquisition of subsidiaries:                    |                |                         |
| - Human capital resources - CGU 3 (Note 33 (d)) | -              | 2,022                   |
| - Exhibition services - CGU 4 (Note 33 (f))     | -              | 50,180                  |
|   | <b>-</b>       | <b>52,202</b>           |
| Additional investment in a subsidiary           |                |                         |
| - Exhibition services - CGU 4                   | 3,974          | -                       |
| Partial disposal of investment in a subsidiary  |                |                         |
| - Exhibition services - CGU 4                   | (7,762)        | -                       |
| Exchange differences                            | 2,025          | -                       |
| Balance as at 31 December                       | <b>77,558</b>  | <b>79,321</b>           |
| <b>Accumulated impairment losses</b>            |                |                         |
| Balance as at 1 January                         |                |                         |
| - Education operation - CGU 2                   | 5,187          | 5,187                   |
| - Human capital resources - CGU 3               | 1,300          | -                       |
| - Exhibition services - CGU 4                   | 23,000         | -                       |
|   | <b>29,487</b>  | <b>5,187</b>            |
| Impairment losses recognised during the year    |                |                         |
| - Human capital resources - CGU 3               | -              | 1,300                   |
| - Exhibition services - CGU 4                   | -              | 23,000                  |
|   | <b>-</b>       | <b>24,300</b>           |
| Partial disposal of investment in a subsidiary  |                |                         |
| - Exhibition services - CGU 4                   | (3,499)        | -                       |
| Exchange differences                            | 208            | -                       |
| Balance as at 31 December                       | <b>26,196</b>  | <b>29,487</b>           |
| <b>Carrying amount</b>                          | <b>51,362</b>  | <b>49,834</b>           |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 10. INTANGIBLE ASSETS (cont'd)

### (a) Goodwill on consolidation (cont'd)

|  | Group<br>2009<br>RM'000 | 2008<br>RM'000 |
|--|-------------------------|----------------|
| <b>Carrying amount as at 31 December represents:</b> |                         |                |
| - Radio broadcasting - CGU 1                         | 21,932                  | 21,932         |
| - Human capital resources - CGU 3                    | 722                     | 722            |
| - Exhibition services - CGU 4                        | 26,891                  | 27,180         |
| Exchange differences                                 | 1,817                   | -              |
|  | <b>51,362</b>           | <b>49,834</b>  |

#### Impairment test on CGU 1

The recoverable amount of CGU 1 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 1 as the recoverable amount of CGU 1 was determined to be higher than its carrying amount as at balance sheet date.

Value-in-use of CGU 1 was determined by discounting the future cash flows generated from the continuing use of CGU 1 and was based on the following assumptions:

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a five-year period. Revenue is projected to grow at rates ranging from 14% to 18% over the next five years with gradual improvement in the pre-tax margin.
- (ii) The radio licence will be renewed upon expiry at no significant costs.
- (iii) Pre-tax discount rate of 7.06% was applied in determining the recoverable amount of CGU 1. The discount rate was estimated based on the Group's weighted average cost of capital.

#### Impairment test on CGU 2

The Group had ceased the education operation since year 2007. The full impairment on CGU 2 amounting to RM5,187,000 was recognised and included in administrative and other expenses in the consolidated income statement of the financial year ended 31 December 2007.

#### Impairment test on CGU 3

The recoverable amount of CGU 3 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 3 as the recoverable amount of CGU 3 was determined to be higher than its carrying amount as at balance sheet date.

Value-in-use of CGU 3 was determined by discounting the future cash flows generated from the continuing use of CGU 3 and was based on the following assumptions:

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a five-year period. Revenue is projected to grow at rates ranging from 8% to 62% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Pre-tax discount rate of 7.06% was applied in determining the recoverable amount of CGU 3. The discount rate was estimated based on the Group's weighted average cost of capital.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 10. INTANGIBLE ASSETS (cont'd)

### (a) Goodwill on consolidation (cont'd)

#### Impairment test on CGU 4

The recoverable amount of CGU 4 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 4 as the recoverable amount of CGU 4 was determined to be higher than its carrying amount as at balance sheet date.

Value-in-use of CGU 4 was determined by discounting the future cash flows generated from the continuing use of CGU 4 and was based on the following assumptions:

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a five-year period. Revenue is projected to grow at rates ranging from 4% to 5% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Pre-tax discount rate of 7.06% was applied in determining the recoverable amount of CGU 4. The discount rate was estimated based on the Group's weighted average cost of capital.

With regard to the assessment of value-in-use of CGU 1, 3 and 4, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

### (b) Radio licence

|                                 | Group<br>2009<br>RM'000 | 2008<br>RM'000 |
|---------------------------------|-------------------------|----------------|
| <b>Cost</b>                     |                         |                |
| Balance as at 31 December       | 7,483                   | 7,483          |
| <b>Accumulated amortisation</b> |                         |                |
| Balance as at 1 January         | 5,351                   | 3,644          |
| Charge for the financial year   | 1,707                   | 1,707          |
| Balance as at 31 December       | 7,058                   | 5,351          |
| <b>Carrying amount</b>          | 425                     | 2,132          |

#### Impairment test on radio licence

The recoverable amount of radio licence was determined from value-in-use calculation. Based on the calculation, there was no impairment loss to be recognised as the recoverable amount of the CGU containing the radio licence based on perpetuity cash flows was determined to be higher than its carrying amount as at balance sheet date.

Value-in-use of the radio licence was determined by discounting the future cash flows generated from the continuing use of the radio licence and was based on the following assumptions:

- (i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a five-year period. Revenue is projected at about RM9,000,000, RM10,800,000 and RM12,960,000 for 2010, 2011 and 2012 respectively, and continue to grow at 20% thereafter.
- (ii) The radio licence will be renewed upon expiry at no significant costs.
- (iii) Pre-tax discount rate of 7.06% was applied in determining the recoverable amount of radio licence. The discount rate was estimated based on the Group's weighted average cost of capital.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 10. INTANGIBLE ASSETS (cont'd)

### (c) Club membership

|   | Group          |                |
|---|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>Cost</b>                               |                |                |
| Balance as at 1 January                   | -              | -              |
| Transfer from other investments (Note 14) | 807            | -              |
| Exchange differences                      | 7              | -              |
| Balance as at 31 December                 | 814            | -              |
| <b>Accumulated amortisation</b>           |                |                |
| Charge for the financial year             | (270)          | -              |
| Balance as at 31 December                 | (270)          | -              |
| <b>Carrying amount</b>                    | <b>544</b>     | <b>-</b>       |

The club membership rights are held in trust by the Directors of a subsidiary.

## 11. INVESTMENTS IN SUBSIDIARIES

|                           | Company        |                |
|---------------------------|----------------|----------------|
|                           | 2009<br>RM'000 | 2008<br>RM'000 |
| Unquoted shares - at cost | 110,617        | 113,059        |
| Less: Impairment losses   | (16,585)       | (14,905)       |
|                           | <b>94,032</b>  | <b>98,154</b>  |

The subsidiaries are as follows:

| Name of Company  | Country of incorporation | Interest in equity held by |                 |                    |                    | Principal activities             |
|--|--------------------------|----------------------------|-----------------|--------------------|--------------------|----------------------------------|
|  |                          | Company<br>2009            | Company<br>2008 | Subsidiary<br>2009 | Subsidiary<br>2008 |                                  |
| Star Papyrus Printing Sdn. Bhd.                        | Malaysia                 | 100%                       | 100%            | -                  | -                  | Inactive                         |
| Star Publications (Singapore) Pte. Ltd. <sup>(1)</sup> | Singapore                | 100%                       | 100%            | -                  | -                  | Advertising and commission agent |
| Excel Corporation (Australia) Pty. Ltd. <sup>(1)</sup> | Australia                | 100%                       | 100%            | -                  | -                  | Investment of assets held        |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries are as follows: (cont'd)

| Name of Company   | Country of incorporation | Interest in equity held by |              |                 |                 | Principal activities  |
|---|--------------------------|----------------------------|--------------|-----------------|-----------------|---|
|   |                          | Company 2009               | Company 2008 | Subsidiary 2009 | Subsidiary 2008 |   |
| Star Commercial Publications Sdn. Bhd.                                | Malaysia                 | 100%                       | 100%         | -               | -               | Investment holding  |
| Asian Center For Media Studies Sdn. Bhd.                              | Malaysia                 | 100%                       | 100%         | -               | -               | Provision of educational research   |
| Rimakmur Sdn. Bhd.  | Malaysia                 | 70%                        | 70%          | -               | -               | Operating a wireless radio broadcasting station                           |
| Star-IT Sdn. Bhd.   | Malaysia                 | -                          | 70%          | -               | -               | Investment in information, communications and technology-related business |
| Impian Ikon (M) Sdn. Bhd.   | Malaysia                 | 100%                       | 100%         | -               | -               | Investment holding  |
| I.Star Sdn. Bhd.  | Malaysia                 | -                          | 100%         | -               | -               | Inactive  |
| Laviani Pte. Ltd. <sup>(1)</sup>                                      | Singapore                | 100%                       | 100%         | -               | -               | Investment holding  |
| Star MediaWorks Sdn. Bhd.   | Malaysia                 | 100%                       | -            | -               | -               | Investment holding  |
| StarProperty Sdn. Bhd. (Formerly known as Star Rediffusion Sdn. Bhd.) | Malaysia                 | -                          | 100%         | -               | -               | Online advertising  |
| <b>Subsidiaries of Star MediaWorks Sdn. Bhd.</b>                      |                          |                            |              |                 |                 |   |
| StarProperty Sdn. Bhd. (Formerly known as Star Rediffusion Sdn. Bhd.) | Malaysia                 | -                          | -            | 100%            | -               | Online advertising  |
| I.Star Sdn. Bhd.  | Malaysia                 | -                          | -            | 100%            | -               | Inactive  |
| JustJobs Sdn. Bhd. (Formerly known as Daily Bid (M) Sdn. Bhd.)        | Malaysia                 | -                          | -            | 100%            | -               | Inactive  |
| <b>Subsidiaries of I.Star Sdn. Bhd.</b>                               |                          |                            |              |                 |                 |   |
| Star Online Sdn. Bhd.   | Malaysia                 | -                          | -            | 100%            | 100%            | Inactive  |
| I.Star Ideas Factory Sdn. Bhd.  | Malaysia                 | -                          | -            | 100%            | 100%            | Inactive  |
| <b>Subsidiary of Star Commercial Publications Sdn. Bhd.</b>           |                          |                            |              |                 |                 |   |
| Star Rfm Sdn. Bhd.  | Malaysia                 | -                          | -            | 100%            | 100%            | Operating a wireless radio broadcasting station                           |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries are as follows: (cont'd)

| Name of Company  | Country of incorporation | Interest in equity held by |      |                    |      | Principal activities  |
|--|--------------------------|----------------------------|------|--------------------|------|---|
|  |                          | Company<br>2009            | 2008 | Subsidiary<br>2009 | 2008 |   |
| <b>Subsidiary of Excel Corporation (Australia) Pty. Ltd.</b> |                          |                            |      |                    |      |   |
| AIUS Pty. Ltd. <sup>(1)</sup>                                | Australia                | -                          | -    | 100%               | 100% | Inactive  |
| <b>Subsidiary of Impian Ikon (M) Sdn. Bhd.</b>               |                          |                            |      |                    |      |   |
| Leaderonomics Sdn. Bhd.                                      | Malaysia                 | -                          | -    | 51%                | 51%  | Provision of human capital development including training and consultancy   |
| <b>Subsidiary of Laviani Pte. Ltd.</b>                       |                          |                            |      |                    |      |   |
| Cityneon Holdings Limited <sup>(1)</sup>                     | Singapore                | -                          | -    | 59%                | 64%  | Investment holding  |
| <b>Subsidiaries of Cityneon Holdings Limited</b>             |                          |                            |      |                    |      |   |
| Cityneon-World Projects Pte. Ltd. <sup>(1)</sup>             | Singapore                | -                          | -    | 51%                | 51%  | Provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs   |
| Cityneon Concepts Pte. Ltd. <sup>(1)</sup>                   | Singapore                | -                          | -    | 100%               | 100% | Provision of event organising management and event marketing services   |
| Comprise Electrical (S) Pte. Ltd. <sup>(1)</sup>             | Singapore                | -                          | -    | 100%               | 100% | Provision of electrical services for exhibitions and event management industries  |
| Cityneon Contracts Sdn. Bhd. <sup>(2)</sup>                  | Malaysia                 | -                          | -    | 100%               | 100% | Provision of exhibitions and event management services, including rental of reusable modules and furnishings, roadshows and custom-built pavilions                                |
| Cityneon Global Projects Pte. Ltd. <sup>(1)</sup>            | Singapore                | -                          | -    | 100%               | 100% | Provision of management, projects, logistics and ownership service for events and festivals   |
| Themewerks Pte. Ltd. <sup>(1)</sup>                          | Singapore                | -                          | -    | 100%               | 100% | Design, build, construct, manufacture, trade in project and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries are as follows: (cont'd)

| Name of Company  | Country of incorporation | Interest in equity held by |      |                 |      | Principal activities   |
|--|--------------------------|----------------------------|------|-----------------|------|--|
|  |                          | Company 2009               | 2008 | Subsidiary 2009 | 2008 |  |
| Subsidiaries of Cityneon Holdings Limited (cont'd)             |                          |                            |      |                 |      |  |
| Cityneon (Middle East) W.L.L. <sup>(2)</sup>                   | Bahrain                  | -                          | -    | 100%            | 100% | Provision of exhibition services including rental of reusable modules and furnishings, custom-built pavilions and roadshows                      |
| Cityneon Creations Pte. Ltd. <sup>(1)</sup>                    | Singapore                | -                          | -    | 100%            | 100% | Provision of design and build services for custom-built exhibition pavilions and roadshows   |
| Cityneon Exhibition Services (Vietnam) Co. Ltd. <sup>(3)</sup> | Vietnam                  | -                          | -    | 100%            | -    | Inactive   |
| Subsidiary of Comprise Electrical (S) Pte. Ltd.                |                          |                            |      |                 |      |  |
| Cityneon Exhibition Services Pte. Ltd. <sup>(1)</sup>          | Singapore                | -                          | -    | 70%             | 70%  | Provision of exhibition services including rental of reusable modules, furnishings and furniture   |
| Subsidiaries of Cityneon Exhibition Services Pte. Ltd.         |                          |                            |      |                 |      |  |
| E-Graphics Displays Pte. Ltd. <sup>(1)</sup>                   | Singapore                | -                          | -    | 60%             | 60%  | Design and produce environmental graphic materials including banners, posters, billboards and general signages for event and exhibition venues   |
| Shanghai Cityneon Exhibition Services Co. Ltd. <sup>(2)</sup>  | China                    | -                          | -    | 100%            | 100% | Design and provide services for trade fairs, exhibitions and displays  |
| Subsidiary of Cityneon (Middle East) W.L.L.                    |                          |                            |      |                 |      |  |
| C.N. Overseas Services W.L.L. <sup>(2)</sup>                   | Bahrain                  | -                          | -    | 100%            | 100% | Provision of design and build services for custom-built exhibition pavilions and roadshows   |
| Subsidiary of Themewerks Pte. Ltd.                             |                          |                            |      |                 |      |  |
| Artscapes Themewerks Pte. Ltd. <sup>(1)</sup>                  | Singapore                | -                          | -    | 65%             | 65%  | Design, build, construct, manufacture trade in projects and components of water features, landscapes, thematic leisure and entertainment outlets |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 11. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (1) Audited by member firms of BDO International.  
 (2) Not audited by BDO or member firms of BDO International.  
 (3) Consolidated using management financial statements.

During the financial year, impairment losses amounting to RM973,000 (2008: RM9,705,000), RM205,000 (2008: RM1,700,000) and RM502,000 (2008: RM Nil) were accounted for in the Company's financial statements for investments in subsidiaries on Rimakmur Sdn. Bhd., Star Papyrus Printing Sdn. Bhd. and Asian Center For Media Studies Sdn. Bhd. respectively as a result of intense competition among competitors and cessation of operations.

## 12. INVESTMENT IN AN ASSOCIATE

|   | Group<br>2009<br>RM'000 | Company<br>2009<br>RM'000 |
|---|-------------------------|---------------------------|
| Unquoted equity shares in overseas, at cost | 12,239                  | 12,239                    |
| Share of post acquisition reserves          | (328)                   | -                         |
|   | 11,911                  | 12,239                    |

The detail of the associate is as follows:

| Name of Company                      | Country of<br>incorporation | Interest in equity<br>held by Company |      | Principal activities |
|--------------------------------------|-----------------------------|---------------------------------------|------|----------------------|
|                                      |                             | 2009                                  | 2008 |                      |
| 701Sou (Hong Kong)<br>Pte. Limited * | Hong Kong                   | 20%                                   | -    | Investment holding   |

\* Equity accounted using management financial statements.

The summarised financial information of the associate is as follows:

|                               | Group<br>2009<br>RM'000 |
|-------------------------------|-------------------------|
| <b>Assets and liabilities</b> |                         |
| Non-current assets            | 6,750                   |
| Current assets                | 47,471                  |
| Total assets                  | 54,221                  |
| Current liabilities           | 8,599                   |
| Total liabilities             | 8,599                   |
| <b>Results</b>                |                         |
| Revenue                       | 41                      |
| Loss for the financial year   | (10,427)                |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 13. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Unquoted equity shares, at cost                                  | 20,356         | 20,356         | 20,356         | 20,356         |
| Impairment loss  | -              | -              | (265)          | -              |
| Share of post acquisition reserves,<br>net of dividends received | (4,396)        | (56)           | -              | -              |
|  | 15,960         | 20,300         | 20,091         | 20,356         |

The details of the jointly controlled entities are as follows:

| Name of Company                            | Country of<br>incorporation | Interest in equity<br>held by Company |      | Principal activities  |
|--|-----------------------------|---------------------------------------|------|---|
|  |                             | 2009                                  | 2008 |   |
| 701Panduan Sdn. Bhd. <sup>(1)</sup>        | Malaysia                    | 50%                                   | 50%  | Provide directory services<br>through internet, mobile and<br>other platforms |
| LLL-Lifelong Learning<br>Network Sdn. Bhd. | Malaysia                    | 35%                                   | 35%  | Promote lifelong courses,<br>programmes and activities<br>developments        |

<sup>(1)</sup> Not audited by BDO or member firms of BDO International.

The Group's aggregate share of the assets, liabilities and income and expenses of the jointly controlled entities are as follows:

|   | 2009<br>RM'000 | 2008<br>RM'000 |
|---|----------------|----------------|
| <b>Assets and liabilities</b>                     |                |                |
| Current assets                                    | 27,890         | 19,972         |
| Non-current assets                                | 5,464          | 489            |
| Total assets                                      | 33,354         | 20,461         |
| Current liabilities                               | 1,379          | 170            |
| <b>Results</b>                                    |                |                |
| Revenue   | 1,122          | 388            |
| Expenses, including finance costs and tax expense | (9,936)        | (435)          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 14. OTHER INVESTMENTS

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>At cost</b>                          |                |                |                |                |
| Quoted investment funds in Malaysia     | 41,137         | -              | 41,137         | -              |
| Quoted bonds in Australia               | 6,215          | -              | -              | -              |
|   | 47,352         | -              | 41,137         | -              |
| Club membership                         |                |                |                |                |
| Balance as at 1 January                 | 807            | 807            | -              | -              |
| Transfer to intangible assets (Note 10) | (807)          | -              | -              | -              |
|   | -              | 807            | -              | -              |
|   | 47,352         | 807            | 41,137         | -              |
| <b>Market value</b>                     |                |                |                |                |
| Quoted investment funds in Malaysia     | 41,312         | -              | 41,312         | -              |
| Quoted bonds in Australia               | 6,181          | -              | -              | -              |

## 15. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Balance as at 1 January                       | 77,142         | 71,760         | 69,164         | 71,597         |
| Recognised in the income statements (Note 30) | 3,353          | 5,257          | 11,359         | (2,433)        |
| Exchange differences                          | 13             | 125            | -              | -              |
| <b>Balance as at 31 December</b>              | <b>80,508</b>  | <b>77,142</b>  | <b>80,523</b>  | <b>69,164</b>  |
| Presented after appropriate offsetting:       |                |                |                |                |
| Deferred tax assets, net                      | (632)          | (486)          | -              | -              |
| Deferred tax liabilities, net                 | 81,140         | 77,628         | 80,523         | 69,164         |
|   | 80,508         | 77,142         | 80,523         | 69,164         |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 15. DEFERRED TAX (cont'd)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

### Deferred tax liabilities of the Group

|                                 | Property,<br>plant and<br>equipment<br>RM'000 | Set-off<br>of tax<br>RM'000 | Total<br>RM'000 |
|---------------------------------|---|-----------------------------|-----------------|
| At 1 January 2009               | 86,333  | (8,705)                     | 77,628          |
| Recognised in income statements | 2,742   | 726                         | 3,468           |
| Exchange differences            | 44  | -                           | 44              |
| <b>At 31 December 2009</b>      | <b>89,119</b>                                 | <b>(7,979)</b>              | <b>81,140</b>   |
| At 1 January 2008               | 82,285  | (10,525)                    | 71,760          |
| Recognised in income statements | 3,928   | 1,820                       | 5,748           |
| Exchange differences            | 120   | -                           | 120             |
| <b>At 31 December 2008</b>      | <b>86,333</b>                                 | <b>(8,705)</b>              | <b>77,628</b>   |

### Deferred tax assets of the Group

|                                    | Provision<br>for<br>retirement<br>benefits<br>RM'000 | Unused tax<br>losses and<br>unabsorbed<br>capital<br>allowances<br>RM'000 | Accrual<br>for<br>staff costs<br>RM'000 | Other<br>temporary<br>differences<br>RM'000 | Set-off<br>of tax<br>RM'000 | Total<br>RM'000 |
|------------------------------------|--|---|---|---|-----------------------------|-----------------|
| At 1 January 2009                  | (125)  | (363)   | (7,766)                                 | (937)                                       | 8,705                       | (486)           |
| Recognised in income<br>statements | 125  | 200   | 74                                      | 212   | (726)                       | (115)           |
| Exchange differences               | -  | (2)   | -                                       | (29)  | -                           | (31)            |
| <b>At 31 December 2009</b>         | <b>-</b>   | <b>(165)</b>  | <b>(7,692)</b>                          | <b>(754)</b>                                | <b>7,979</b>                | <b>(632)</b>    |
| At 1 January 2008                  | (1,924)  | -   | (8,442)                                 | (159)                                       | 10,525                      | -               |
| Recognised in income<br>statements | 1,799  | (363)   | 676                                     | (783)                                       | (1,820)                     | (491)           |
| Exchange differences               | -  | -   | -                                       | 5   | -                           | 5               |
| <b>At 31 December 2008</b>         | <b>(125)</b>   | <b>(363)</b>  | <b>(7,766)</b>                          | <b>(937)</b>                                | <b>8,705</b>                | <b>(486)</b>    |

### Deferred tax liabilities of the Company

|                                 | Property,<br>plant and<br>equipment<br>RM'000 | Set-off<br>of tax<br>RM'000 | Total<br>RM'000 |
|---------------------------------|---|-----------------------------|-----------------|
| At 1 January 2009               | 85,419  | (16,255)                    | 69,164          |
| Recognised in income statements | 2,970   | 8,389                       | 11,359          |
| <b>At 31 December 2009</b>      | <b>88,389</b>                                 | <b>(7,866)</b>              | <b>80,523</b>   |
| At 1 January 2008               | 81,948  | (10,351)                    | 71,597          |
| Recognised in income statements | 3,471   | (5,904)                     | (2,433)         |
| <b>At 31 December 2008</b>      | <b>85,419</b>                                 | <b>(16,255)</b>             | <b>69,164</b>   |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 15. DEFERRED TAX (cont'd)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd)

### Deferred tax assets of the Company

|                                    | Provision<br>for<br>retirement<br>benefits<br>RM'000 | Accrual<br>for<br>staff costs<br>RM'000 | Allowance<br>for<br>doubtful<br>debts<br>RM'000 | Other<br>temporary<br>differences<br>RM'000 | Set-off<br>of tax<br>RM'000 | Total<br>RM'000 |
|------------------------------------|--|---|---|---|-----------------------------|-----------------|
| At 1 January 2009                  | (125)  | (7,831)                                 | (7,592)   | (707)                                       | 16,255                      | -               |
| Recognised in income<br>statements | 125  | 415                                     | 7,592   | 257   | (8,389)                     | -               |
| <b>At 31 December 2009</b>         | <b>-</b>   | <b>(7,416)</b>                          | <b>-</b>  | <b>(450)</b>                                | <b>7,866</b>                | <b>-</b>        |
| At 1 January 2008                  | (1,924)  | (8,427)                                 | -   | -   | 10,351                      | -               |
| Recognised in income<br>statements | 1,799  | 596                                     | (7,592)   | (707)                                       | 5,904                       | -               |
| <b>At 31 December 2008</b>         | <b>(125)</b>   | <b>(7,831)</b>                          | <b>(7,592)</b>                                  | <b>(707)</b>                                | <b>16,255</b>               | <b>-</b>        |

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheets are as follows:

|                               | Group<br>2009<br>RM'000 | 2008<br>RM'000 |
|-------------------------------|-------------------------|----------------|
| Other temporary differences   | (1,129)                 | (1,569)        |
| Unabsorbed capital allowances | 4,534                   | 3,722          |
| Unused tax losses             |                         |                |
| - No expiry date              | 14,951                  | 14,326         |
| - Expired by 31 December 2009 | -                       | 275            |
| - Expires by 31 December 2010 | 527                     | 486            |
| - Expires by 31 December 2011 | 529                     | 488            |
| - Expires by 31 December 2012 | 284                     | 188            |
| - Expires by 31 December 2013 | 169                     | 171            |
| - Expires by 31 December 2014 | 578                     | -              |
|                               | <b>20,443</b>           | <b>18,087</b>  |

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 16. TRADE AND OTHER RECEIVABLES

|  |      | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  | Note | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>Non-current</b>                                 |      |                |                |                |                |
| Amount owing by subsidiaries - non-trade           |      | -              | -              | 28,549         | 87,325         |
| Less: Allowance for doubtful debts                 |      | -              | -              | -              | (30,367)       |
|  | a    | -              | -              | 28,549         | 56,958         |
| <b>Current</b>                                     |      |                |                |                |                |
| <b>Trade</b>                                       |      |                |                |                |                |
| Third parties                                      |      | 144,850        | 139,072        | 97,645         | 95,087         |
| Subsidiaries                                       |      | -              | -              | 1,685          | 1,071          |
| Amount due from customers for contract work        | b    | 35,874         | 7,176          | -              | -              |
|  |      | 180,724        | 146,248        | 99,330         | 96,158         |
| Less: Allowance for doubtful debts - Third parties | c    | (11,703)       | (11,415)       | (8,753)        | (7,998)        |
|  | d    | 169,021        | 134,833        | 90,577         | 88,160         |
| <b>Non-trade</b>                                   |      |                |                |                |                |
| Third parties                                      |      | 13,710         | 9,513          | 681            | 1,636          |
| Amounts owing by subsidiaries                      | a    | -              | -              | 80,783         | 9              |
|  |      | 13,710         | 9,513          | 81,464         | 1,645          |
| Less: Allowance for doubtful debts - Third parties |      | (148)          | (148)          | -              | -              |
| - Subsidiaries                                     |      | -              | -              | (38,896)       | -              |
|  |      | 13,562         | 9,365          | 42,568         | 1,645          |
| Sundry deposits and other receivables              | e    | 6,004          | 5,362          | 3,767          | 2,994          |
| Prepayments  | f    | 8,745          | 12,024         | 4,378          | 8,715          |
|  |      | 28,311         | 26,751         | 50,713         | 13,354         |
|  | h    | 197,332        | 161,584        | 141,290        | 101,514        |

- (a) Amount owing by subsidiaries is in respect of advances, which are unsecured, interest-free and repayable upon demand except for RM9,744,000 which is subject to interest at 5% per annum.

The non-current amount owing from subsidiaries is in respect of advances and payments made on behalf, which was unsecured and not receivable within the next twelve (12) months except in so far as such repayment would not adversely affect the ability of the subsidiaries to meet their liabilities when due.



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 16. TRADE AND OTHER RECEIVABLES (cont'd)

### (b) AMOUNTS DUE FROM / (TO) CUSTOMERS FOR CONTRACT WORKS

|   | Group          |                |
|---|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 |
| Aggregate costs incurred to date                    | 115,684        | 6,428          |
| Add: Attributable profits                           | 23,321         | 1,445          |
|   | 139,005        | 7,873          |
| Less: Progress billings                             | (116,598)      | (1,860)        |
|   | 22,407         | 6,013          |
| Represented by:                                     |                |                |
| Amount due from customers for contract works        | 35,874         | 7,176          |
| Amount due to customer for contract works (Note 26) | (13,467)       | (1,163)        |
|   | 22,407         | 6,013          |

Included in the aggregate costs are staff costs capitalised during the financial year amounting to RM Nil (2008: RM163,000).

- (c) The allowance for doubtful debts of the Group and the Company is net of bad debts written off amounting to RM880,000 (2008: RM1,290,000) and RM131,000 (2008: RM1,290,000) respectively.
- (d) The credit terms of trade receivables range from payment in advance to credit period of 90 days (2008: 90 days).
- (e) Included in the sundry deposits and other receivables are deposit placed with licensed financial institutions for performance bonds guaranteed to third parties amounting to RM668,000 (2008: RM Nil).
- (f) Included in prepayments of the Group and the Company are deposits amounting to RM1,094,000 (2008: RM3,529,000) paid to suppliers for the acquisition of plant and machinery and software.
- (g) Information on financial risks of trade and other receivables are disclosed in Note 40 to the financial statements.
- (h) The currency exposure profile of current trade and other receivables are as follows:

|                      | Group          |                | Company        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Ringgit Malaysia     | 112,194        | 108,469        | 118,855        | 99,031         |
| Singapore Dollar     | 59,456         | 22,022         | 21,383         | 64             |
| Australian Dollar    | 632            | 717            | 2              | 2              |
| United States Dollar | 1,374          | 2,261          | 987            | 2,389          |
| Euro                 | 1,045          | 7              | 47             | 7              |
| Pound Sterling       | 13             | 14             | 16             | 17             |
| Bahrain Dinar        | 16,275         | 27,711         | -              | -              |
| Omani Rial           | 6,272          | -              | -              | -              |
| Chinese Renminbi     | 60             | 383            | -              | 4              |
| Others               | 11             | -              | -              | -              |
|                      | 197,332        | 161,584        | 141,290        | 101,514        |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 17. OTHER NON-CURRENT ASSETS

|   | Group          |                |
|---|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 |
| Deposits paid for performance bonds guaranteed to third parties | 1,426          | -              |
| Prepaid lease rental  | 399            | -              |
|   | 1,825          | -              |

Deposits paid for performance bonds are in relation to amounts held by a licensed financial institution in respect of ongoing projects carried out by a subsidiary of the Group.

## 18. INVENTORIES

|                                     | Group          |                | Company        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>At cost</b>                      |                |                |                |                |
| Newsprint                           | 81,837         | 200,344        | 81,837         | 200,344        |
| Goods-in-transit                    | 2,767          | 13,962         | 2,767          | 13,962         |
| Other raw materials and consumables | 910            | 604            | 54             | 71             |
|                                     | 85,514         | 214,910        | 84,658         | 214,377        |

## 19. CASH AND CASH EQUIVALENTS

|                                     | Group          |                | Company        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Deposits placed with licensed banks | 672,084        | 566,147        | 531,413        | 445,204        |
| Cash and bank balances              | 101,145        | 55,409         | 31,365         | 29,777         |
|                                     | 773,229        | 621,556        | 562,778        | 474,981        |

- (a) Deposits of the Group and of the Company have a range of maturity of 7 days to 365 days (2008: 7 days to 365 days).
- (b) Information on financial risks of cash and cash equivalents are disclosed in Note 40 to the financial statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 19. CASH AND CASH EQUIVALENTS (cont'd)

(c) The currency exposure profile of cash and cash equivalents are as follows:

|                      | Group          |                | Company        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Ringgit Malaysia     | 595,189        | 492,518        | 562,543        | 457,875        |
| Singapore Dollar     | 33,170         | 12,702         | 115            | 176            |
| Australian Dollar    | 113,113        | 109,739        | -              | 16,834         |
| United States Dollar | 16,985         | 67             | 91             | 67             |
| Euro                 | 1,155          | -              | -              | -              |
| Pound Sterling       | 19             | 19             | 19             | 19             |
| Bahrain Dinar        | 13,307         | 6,348          | -              | -              |
| Omani Rial           | 76             | -              | -              | -              |
| Chinese Renminbi     | 96             | 163            | 10             | 10             |
| Others               | 119            | -              | -              | -              |
|                      | 773,229        | 621,556        | 562,778        | 474,981        |

## 20. SHARE CAPITAL AND TREASURY SHARES

|                                 | Group                               |                | Company                             |                |
|---------------------------------|-------------------------------------|----------------|-------------------------------------|----------------|
|                                 | 2009<br>Number<br>of shares<br>'000 | 2008<br>RM'000 | 2009<br>Number<br>of shares<br>'000 | 2008<br>RM'000 |
| Ordinary shares of RM1.00 each: |                                     |                |                                     |                |
| Authorised                      | 1,000,000                           | 1,000,000      | 1,000,000                           | 1,000,000      |
| Issued and fully paid           | 738,564                             | 738,564        | 738,564                             | 738,564        |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

### Treasury shares

The shareholders of the Company, at an Extraordinary General Meeting held on 18 May 2005, approved the Company's proposal to repurchase up to 10% of its own shares ("Share Buy-Back"). The authority granted by the shareholders has been renewed at each subsequent Annual General Meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy-Back is in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased a total of 70,200 ordinary shares of its issued shares listed on the Main Market of Bursa Malaysia Securities Berhad from the open market at an average price of RM3.18 per share. The total consideration paid was RM224,706 including transaction costs of RM1,205. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 20. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Of the total 738,563,602 issued and fully paid ordinary shares of RM1.00 each as at 31 December 2009, there are 70,200 ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM224,706 held as treasury shares by the Company. The number of outstanding shares in issue after the Share Buy-Back is 738,493,402 ordinary shares of RM1.00 each as at 31 December 2009.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

## 21. RESERVES

|                                      | Group          |                | Company        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>Non-distributable</b>             |                |                |                |                |
| Capital reserves                     | 149            | -              | 1,722          | 1,722          |
| Foreign exchange translation reserve | 24,771         | (1,226)        | -              | -              |
|                                      | 24,920         | (1,226)        | 1,722          | 1,722          |
| <b>Distributable</b>                 |                |                |                |                |
| Retained earnings                    | 490,847        | 473,532        | 449,353        | 448,760        |
|                                      | 515,767        | 472,306        | 451,075        | 450,482        |

(a) Capital reserves

(i) Company

The Company's capital reserve represents the surplus on revaluation of certain leasehold land and building in 1983.

(ii) Group

The Group's capital reserve is in respect of the share options reserve which represents the equity-settled options granted to employees of the Cityneon Group. This reserve is made up of the cumulative value of services received from the Cityneon Group's employees recorded on grant date of share options.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Retained earnings

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has decided not to make this election. However, there will not be any additional tax liability resulting from franking the payment of dividends out of the Company's retained earnings as at balance sheet date.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 22. MEDIUM TERM NOTES

The Company issued RM150 million and RM100 million nominal value of Medium Term Notes with fixed interest rate of 5.5% and 5.7% respectively. The notes are unsecured and have a tenure of 5 years from the date of first issuance. The maturity dates for the notes of RM150 million and RM100 million are on 26 February 2010 and 27 August 2010 respectively.

Information on financial risks of Medium Term Notes are disclosed in Note 40 to the financial statements.

## 23. RETIREMENT BENEFITS

|   | Group and Company |         |
|---|-------------------|---------|
|   | 2009              | 2008    |
|   | RM'000            | RM'000  |
| Balance as at 1 January                 | 500               | 7,694   |
| Provisions during the financial year    | -                 | 1,455   |
| Payments made during the financial year | (500)             | (8,649) |
| Balance as at 31 December               | -                 | 500     |

Provision for retirement benefits is related to benefit given to senior management based on the number of years of service and last drawn salaries.

## 24. BORROWINGS

|                                |      | Group  |        |
|--------------------------------|------|--------|--------|
|                                | Note | 2009   | 2008   |
|                                |      | RM'000 | RM'000 |
| <b>Current liabilities</b>     |      |        |        |
| Bank loan (secured)            |      | 2,439  | -      |
| Bank loan (unsecured)          |      | -      | 34,251 |
| Finance lease liabilities      | 25   | 971    | 167    |
|                                |      | 3,410  | 34,418 |
| <b>Non-current liabilities</b> |      |        |        |
| Bank loan (secured)            |      | 36,393 | -      |
| Finance lease liabilities      | 25   | 9,162  | 1,265  |
|                                |      | 45,555 | 1,265  |
| <b>Total borrowings</b>        |      |        |        |
| Bank loan (secured)            |      | 38,832 | -      |
| Bank loan (unsecured)          |      | -      | 34,251 |
| Finance lease liabilities      | 25   | 10,133 | 1,432  |
|                                |      | 48,965 | 35,683 |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 24. BORROWINGS (cont'd)

- (a) The borrowings are repayable over the following periods:

|                           | Year<br>of<br>maturity | Carrying<br>amount<br>RM'000 | Within<br>1 year<br>RM'000 | 1 - 2<br>years<br>RM'000 | 2 - 5<br>years<br>RM'000 | Over 5<br>years<br>RM'000 |
|---------------------------|------------------------|------------------------------|----------------------------|--------------------------|--------------------------|---------------------------|
| <b>Group</b>              |                        |                              |                            |                          |                          |                           |
| <b>2009</b>               |                        |                              |                            |                          |                          |                           |
| Bank loan (secured)       | 2012                   | 38,832                       | 2,439                      | 1,806                    | 34,587                   | -                         |
| Finance lease liabilities |                        | 10,133                       | 971                        | 966                      | 3,142                    | 5,054                     |
|                           |                        | 48,965                       | 3,410                      | 2,772                    | 37,729                   | 5,054                     |
| <b>2008</b>               |                        |                              |                            |                          |                          |                           |
| Bank loan (unsecured)     | 2010                   | 34,251                       | 34,251                     | -                        | -                        | -                         |
| Finance lease liabilities |                        | 1,432                        | 167                        | 169                      | 476                      | 620                       |
|                           |                        | 35,683                       | 34,418                     | 169                      | 476                      | 620                       |

- (b) The currency exposure profiles of borrowings are as follows:

|                  | <b>Group</b>   |                |
|------------------|----------------|----------------|
|                  | 2009<br>RM'000 | 2008<br>RM'000 |
| Ringgit Malaysia | 8,946          | 135            |
| Singapore Dollar | 40,019         | 35,548         |
|                  | 48,965         | 35,683         |

- (c) The secured bank loan of RM34,587,000 of the Group is secured by negative pledge over all the Laviani Pte. Ltd.'s present and future assets including quoted shares of Cityneon Holdings Limited held by Laviani Pte. Ltd.. The Company also provides guarantee and indemnity for SGD14,000,000 together with interest accruing and all monies payable under the facility.

The secured bank loan of RM4,245,000 of the Group is secured by proceeds from certain projects of a subsidiary. The bank loan is also guaranteed by a subsidiary.

- (d) Information on financial risks of borrowings are disclosed in Note 40 to the financial statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 25. FINANCE LEASE LIABILITIES

|   | Group          |                |
|---|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 |
| Minimum lease payments:                                     |                |                |
| - not later than one (1) year                               |                |                |
| Hire purchase   | 218            | 231            |
| Other finance leases  | 1,360          | -              |
|   | 1,578          | 231            |
| - later than one (1) year but not later than five (5) years |                |                |
| Hire purchase   | 762            | 818            |
| Other finance leases  | 5,167          | -              |
|   | 5,929          | 818            |
| - later than five (5) years                                 |                |                |
| Hire purchase   | 515            | 680            |
| Other finance leases  | 5,247          | -              |
|   | 5,762          | 680            |
| Total minimum lease payments                                | 13,269         | 1,729          |
| Less: Future interest charges                               |                |                |
| - Hire purchase   | (234)          | (297)          |
| - Other finance leases                                      | (2,902)        | -              |
|   | (3,136)        | (297)          |
| Present value of lease payments                             | 10,133         | 1,432          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 25. FINANCE LEASE LIABILITIES (cont'd)

|   | Group          |                |
|---|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 |
| Present value of lease payments is represented by:          |                |                |
| Hire purchase   | 1,261          | 1,432          |
| Other finance leases  | 8,872          | -              |
|   | 10,133         | 1,432          |
| Repayable as follows:                                       |                |                |
| <b>Current liabilities</b>                                  |                |                |
| - not later than one (1) year                               |                |                |
| Hire purchase   | 163            | 167            |
| Other finance leases  | 808            | -              |
| <b>Total current liabilities</b>                            | 971            | 167            |
| <b>Non-current liabilities</b>                              |                |                |
| - later than one (1) year and not later than five (5) years |                |                |
| Hire purchase   | 618            | 645            |
| Other finance leases  | 3,490          | -              |
|   | 4,108          | 645            |
| - later than five (5) years                                 |                |                |
| Hire purchase   | 480            | 620            |
| Other finance lease   | 4,574          | -              |
|   | 5,054          | 620            |
| <b>Total non-current liabilities</b>                        | 9,162          | 1,265          |
|   | 10,133         | 1,432          |

Lease terms range from three (3) to ten (10) years with options to purchase at the end of the lease term. Lease terms do not contain restrictions concerning dividends or additional debt. However, certain lease terms entered into by subsidiaries include restriction on further leasing.

Information on financial risks of finance lease liabilities are disclosed in Note 40 to the financial statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 26. TRADE AND OTHER PAYABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>Trade payables</b>                                     |                |                |                |                |
| Third parties   | 17,708         | 26,787         | 1,826          | 16,605         |
| Subsidiaries  | -              | -              | 3,365          | 3,658          |
| Amount due to customers<br>for contract work (Note 16(b)) | 13,467         | 1,163          | -              | -              |
|   | 31,175         | 27,950         | 5,191          | 20,263         |
| <b>Other payables</b>                                     |                |                |                |                |
| Amount owing to subsidiaries                              | -              | -              | 3,466          | 3,693          |
| Other payables  | 23,175         | 15,811         | 6,606          | 7,668          |
| Deposits from agents, subscribers and customers           | 2,781          | 2,073          | 2,737          | 2,073          |
| Accruals  | 96,501         | 71,656         | 57,130         | 54,898         |
| Provision   | 3,503          | 3,403          | 2,517          | 2,653          |
|   | 125,960        | 92,943         | 72,456         | 70,985         |
|   | 157,135        | 120,893        | 77,647         | 91,248         |

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from one (1) month to four (4) months (2008: 1 to 4 months).
- (b) Amount owing to subsidiaries is unsecured, interest-free and repayable on demand.
- (c) Information on financial risks of trade and other payables are disclosed in Note 40 to the financial statements.
- (d) The provision is in respect of unutilised staff leave carried forward.

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Balance as at 1 January                                  | 3,403          | 3,265          | 2,653          | 3,189          |
| Acquisition of subsidiaries<br>during the financial year | -              | 538            | -              | -              |
| Provision during the financial year                      | 434            | 189            | -              | -              |
| Utilised during the financial year                       | (344)          | (597)          | (136)          | (536)          |
| Exchange differences                                     | 10             | 8              | -              | -              |
| Balance as at 31 December                                | 3,503          | 3,403          | 2,517          | 2,653          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 26. TRADE AND OTHER PAYABLES (cont'd)

(e) The currency exposure profile of trade and other payables are as follows:

|                      | Group          |                | Company        |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Ringgit Malaysia     | 78,699         | 87,285         | 75,978         | 84,264         |
| Singapore Dollar     | 61,068         | 19,111         | 1,505          | 2,314          |
| Australian Dollar    | 218            | 520            | 1              | 1              |
| United States Dollar | 7,087          | 3,567          | 163            | 3,567          |
| Euro                 | 589            | -              | -              | -              |
| Pound Sterling       | -              | 1,102          | -              | 1,102          |
| Bahrain Dinar        | 8,737          | 8,884          | -              | -              |
| Chinese Renminbi     | 582            | 424            | -              | -              |
| Others               | 155            | -              | -              | -              |
|                      | 157,135        | 120,893        | 77,647         | 91,248         |

## 27. REVENUE

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Publication, printing and distribution of newspapers and magazines | 719,582        | 780,610        | 720,471        | 781,037        |
| Broadcasting   | 31,178         | 30,358         | -              | -              |
| Event management, exhibition services and thematic                 | 221,455        | 19,967         | -              | -              |
| Others   | 1,706          | 105            | -              | -              |
|  | 973,921        | 831,040        | 720,471        | 781,037        |

## 28. FINANCE COSTS

|                     | Group          |                | Company        |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Interest expenses:  |                |                |                |                |
| - Medium Term Notes | 13,950         | 13,950         | 13,950         | 13,950         |
| - Finance leases    | 619            | 6              | -              | -              |
| - Bank loans        | 1,084          | 246            | -              | -              |
|                     | 15,653         | 14,202         | 13,950         | 13,950         |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 29. PROFIT BEFORE TAX

Profit before tax is arrived at:

|   | Note  | Group<br>2009<br>RM'000 | 2008<br>RM'000 | Company<br>2009<br>RM'000 | 2008<br>RM'000 |
|---|-------|-------------------------|----------------|---------------------------|----------------|
| After charging:   |       |                         |                |                           |                |
| Auditors' remuneration:   |       |                         |                |                           |                |
| - Statutory   |       | 569                     | 490            | 147                       | 138            |
| - Under provision in prior year   |       | 15                      | 2              | -                         | 2              |
| - Non-statutory   |       | 8                       | 29             | 8                         | 7              |
| Amortisation of radio licence included in administrative and other expenses | 10(b) | 1,707                   | 1,707          | -                         | -              |
| Amortisation of prepaid lease payments for land                             | 9     | 614                     | 613            | 614                       | 613            |
| Amortisation of club membership   | 10(c) | 270                     | -              | -                         | -              |
| Allowance of doubtful debts:  |       |                         |                |                           |                |
| - third parties   |       | 1,831                   | 2,968          | 1,017                     | 1,516          |
| - subsidiaries  |       | -                       | -              | 8,529                     | 30,367         |
| Bad debts written off   |       | 6                       | 6              | 6                         | 4              |
| Depreciation of property, plant and equipment                               | 7     | 47,347                  | 42,863         | 42,080                    | 41,177         |
| Depreciation of investment properties                                       | 8     | 391                     | 380            | 391                       | 380            |
| Directors' remuneration payable to  |       |                         |                |                           |                |
| - Directors of the Company  |       |                         |                |                           |                |
| - fees  |       | 338                     | 605            | 338                       | 605            |
| - other emoluments  |       | 9,004                   | 8,526          | 9,004                     | 8,526          |
| - Directors of subsidiaries   |       |                         |                |                           |                |
| - fees  |       | 278                     | 135            | -                         | -              |
| - other emoluments  |       | 7,180                   | 583            | -                         | -              |
| Impairment losses included in administrative and other expenses on:         |       |                         |                |                           |                |
| - goodwill  | 10(a) | -                       | 24,300         | -                         | -              |
| - investments in subsidiaries   | 11    | -                       | -              | 1,680                     | 11,405         |
| - investment in jointly controlled entity                                   | 13    | -                       | -              | 265                       | -              |
| Late penalty charges  |       | 2                       | -              | -                         | -              |
| Loss on disposal of property, plant and equipment                           |       | 553                     | -              | 534                       | -              |
| Loss on partial disposal of investment in subsidiary                        |       | 626                     | -              | -                         | -              |
| Operating lease rental  |       | 256                     | 323            | 256                       | 323            |
| Property, plant and equipment written off                                   |       | 808                     | 38             | 703                       | 38             |
| Provision for unutilised staff leave  | 26(d) | 434                     | 189            | -                         | -              |
| Rental of premises  |       | 5,296                   | 1,306          | 782                       | 565            |
| Provision for retirement benefits   | 23    | -                       | 1,455          | -                         | 1,455          |
| Foreign exchange losses   |       | 625                     | 4,055          | -                         | 2,828          |
| Loss on voluntary liquidation of subsidiary                                 |       | 16                      | -              | -                         | -              |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 29. PROFIT BEFORE TAX (cont'd)

Profit before tax is arrived at: (cont'd)

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| And crediting:                                       |      |                |                |                |                |
| Allowance for doubtful debts<br>no longer required   |      | 663            | 59             | 131            | 59             |
| Gain on disposal of property,<br>plant and equipment |      | 20             | 1,088          | -              | 150            |
| Interest income                                      |      | 14,694         | 22,656         | 9,761          | 14,649         |
| Investment income                                    |      | 3,073          | 3,330          | 3,073          | 3,330          |
| Foreign exchange gain                                |      | 3,527          | 258            | -              | 258            |
| Rental income:                                       |      |                |                |                |                |
| - investment properties                              | 8    | 2,229          | 2,203          | 2,229          | 2,203          |
| - others   |      | 379            | 25             | -              | -              |
| Gain on voluntary liquidation of subsidiary          |      | -              | -              | 96             | -              |

The estimated money value of benefits-in-kind not included in the above received by Directors of the Company was RM846,000 (2008: RM288,000) for the Group and the Company.

## 30. TAX EXPENSE

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Current year tax expense based on profit for the<br>financial year |                |                |                |                |
| Malaysia income tax  | 45,021         | 56,565         | 43,992         | 54,720         |
| Foreign income tax   | 2,003          | 1,642          | -              | -              |
|  | 47,024         | 58,207         | 43,992         | 54,720         |
| Over provision in prior year                                       |                |                |                |                |
| Malaysia income tax  | (2,782)        | (630)          | (2,489)        | (1,200)        |
| Foreign income tax   | (73)           | (72)           | -              | -              |
|  | (2,855)        | (702)          | (2,489)        | (1,200)        |
|  | 44,169         | 57,505         | 41,503         | 53,520         |
| Deferred tax (Note 15)   |                |                |                |                |
| Relating to origination<br>and reversal of temporary differences   | 3,664          | 4,570          | 4,027          | (3,547)        |
| Relating to changes in tax rates                                   | -              | (2,767)        | -              | (2,767)        |
| (Over) / Under provision in prior years                            | (311)          | 3,454          | 7,332          | 3,881          |
|  | 3,353          | 5,257          | 11,359         | (2,433)        |
| Tax expense  | 47,522         | 62,762         | 52,862         | 51,087         |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 30. TAX EXPENSE (cont'd)

The numerical reconciliation between the average effective tax and the tax based on applicable tax rate are as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Profit before tax  | 197,155        | 201,463        | 180,851        | 178,957        |
| Taxation at Malaysian statutory rate of 25% (2008: 26%)    | 49,289         | 52,380         | 45,213         | 46,529         |
| Expenses not deductible for tax purposes                   | 4,037          | 7,397          | 3,718          | 5,584          |
| Income not subject to tax                                  | (985)          | (866)          | (768)          | (866)          |
| Deferred tax assets not recognised                         | 1,401          | 1,865          | -              | -              |
| Tax incentives   | (153)          | (97)           | (144)          | (74)           |
| Utilisation of previously unrecognised deferred tax assets | (812)          | -              | -              | -              |
| Difference in tax rates in foreign jurisdiction            | (2,073)        | 2,098          | -              | -              |
| Effect in changes of tax rate on deferred tax balance      | (16)           | (2,767)        | -              | (2,767)        |
|  | 50,688         | 60,010         | 48,019         | 48,406         |
| (Over) / Under provision in prior year                     |                |                |                |                |
| - corporate tax  | (2,855)        | (702)          | (2,489)        | (1,200)        |
| - deferred tax   | (311)          | 3,454          | 7,332          | 3,881          |
| Tax expense  | 47,522         | 62,762         | 52,862         | 51,087         |

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous financial year's rate of 26% for the fiscal year of assessment 2008.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

## 31. EARNINGS PER ORDINARY SHARE

### Basic earnings per ordinary share

The basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

|   | 2009    | 2008    |
|---|---------|---------|
| Profit attributable to equity holders of the Company (RM'000)                                     | 144,711 | 138,905 |
| Weighted average number of ordinary shares in issue ('000)  | 738,564 | 738,564 |
| Weighted average number of treasury shares held ('000)  | (49)    | -       |
| Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000) | 738,515 | 738,564 |
| Basic earnings per ordinary share (sen)   | 19.59   | 18.81   |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 31. EARNINGS PER ORDINARY SHARE (cont'd)

### *Diluted earnings per ordinary share*

Diluted earnings per ordinary share is not presented as there is no dilutive potential ordinary shares.

## 32. DIVIDENDS

Dividends recognised in the current financial year by the Company are:

|                                    | Gross dividend per ordinary share sen | Amount of dividend, net of tax RM'000 | Net dividend per ordinary share sen |
|------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|
| <b>2009</b>                        |                                       |                                       |                                     |
| 2009 First interim dividend paid   | 7.5                                   | 41,540                                | 5.6                                 |
| 2009 Special interim dividend paid | 3.0                                   | 22,155                                | 3.0                                 |
| 2008 Second interim dividend paid  | 7.5                                   | 41,544                                | 5.6                                 |
| 2008 Special interim dividend paid | 3.0                                   | 22,157                                | 3.0                                 |
|                                    | <b>21.0</b>                           | <b>127,396</b>                        | <b>17.2</b>                         |
| <b>2008</b>                        |                                       |                                       |                                     |
| 2008 First interim dividend paid   | 7.5                                   | 40,990                                | 5.6                                 |
| 2008 Special interim dividend paid | 3.0                                   | 22,157                                | 3.0                                 |
| 2007 Second interim dividend paid  | 7.5                                   | 40,990                                | 5.6                                 |
| 2007 Special interim dividend paid | 3.0                                   | 22,157                                | 3.0                                 |
|                                    | <b>21.0</b>                           | <b>126,294</b>                        | <b>17.2</b>                         |

On 11 February 2010, the Directors declared a second interim dividend and special dividend in respect of the financial year ended 31 December 2009 of 7.5 sen per ordinary share, less tax and 3.0 sen per ordinary share, tax exempt, which amounted to RM41,540,255 and RM22,154,802 respectively. These dividends will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2010.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES

- (a) On 6 May 2009, the Company acquired the entire issued and paid-up ordinary share capital of JustJobs Sdn. Bhd. (formerly known as Daily Bid (M) Sdn. Bhd.) ("JustJobs"), a company incorporated in Malaysia, which comprised 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

The acquisition of JustJobs has contributed the following results to the Group during the financial year:

|                             | 2009<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | -              |
| Loss for the financial year | (2)            |

If the acquisition had occurred on 1 January 2009, JustJobs' contribution to the Group's result would have been the same as above.

The summary of effects on acquisition of the subsidiary during the financial year is as follows:

|                           | Fair value<br>recognised<br>on acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------|--|--|
| Receivables               | 2  | 2  |
| Cash                      | *  | *  |
| Total cost of acquisition | 2  | 2  |

The cash outflow on acquisition is as follows:

|  | 2009<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 2              |
| Cash and cash equivalents of subsidiary acquired | (*)            |
| Net cash outflow of the Group on acquisition     | 2              |

\* represents RM2.00



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES (cont'd)

- (b) On 10 September 2009, the Company incorporated Star MediaWorks Sdn. Bhd. ("SMSB"), a company with authorised and paid-up share capital of 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM10,150.

The incorporation of SMSB has contributed the following results to the Group during the financial year:

|                             | 2009<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | -              |
| Loss for the financial year | (2)            |

If the acquisition had occurred on 1 January 2009, SMSB's contribution to the Group's result would have been the same as above.

The summary of effects on acquisition of the subsidiary during the financial year is as follows:

|                           | Fair value<br>recognised<br>on acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------|--|--|
| Receivables               | 10   | 10   |
| Cash                      | *  | *  |
| Total cost of acquisition | 10   | 10   |

The cash outflow on acquisition is as follows:

|  | 2009<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 10             |
| Cash and cash equivalents of subsidiary acquired | (*)            |
| Net cash outflow of the Group on acquisition     | 10             |

\* represents RM2.00

- (c) In the previous financial year, the Company acquired the entire issued and paid-up ordinary share capital of Impian Ikon (M) Sdn. Bhd. ("Impian Ikon"), a company incorporated in Malaysia, which comprised 2 ordinary shares of RM1.00 each for a cash consideration of RM1,895. The acquisition was completed on 18 June 2008.

The acquisition of Impian Ikon has contributed the following results to the Group in the previous financial year:

|                             | 2008<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | -              |
| Loss for the financial year | (1)            |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES (cont'd)

(c) cont'd

The summary of effects on acquisition of the subsidiary in the previous financial year was as follows:

|                           | Fair value<br>recognised<br>on acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------|--|--|
| Receivables               | 2  | 2  |
| Cash                      | *  | *  |
| Total cost of acquisition | 2  | 2  |

The cash outflow on acquisition was as follows:

|  | 2008<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 2              |
| Cash and cash equivalents of subsidiary acquired | *              |
| Net cash outflow of the Group on acquisition     | 2              |

\* represents RM2.00

(d) In the previous financial year, Impian Ikon, a wholly-owned subsidiary of the Company, acquired 51% of the issued and paid-up ordinary share capital of Leaderonomics Sdn. Bhd. ("Leaderonomics"), a company incorporated in Malaysia, which comprised 24,990 ordinary shares of RM1.00 each for a cash consideration of RM2,040,098. The acquisition was completed on 19 June 2008. Leaderonomics is principally engaged in providing human capital development including training and consultancy.

Subsequently on 31 October 2008, Leaderonomics increased its authorised ordinary share capital from RM100,000 to RM5,000,000 by way of creation of an additional 4,900,000 new ordinary shares of RM1.00 each.

Also on the same date, Leaderonomics increased its issued and paid-up ordinary share capital from RM49,000 to RM4,100,000 by the issuance of 4,051,000 ordinary shares of RM1.00 each.

Impian Ikon subscribed 2,066,010 ordinary shares of these newly issued ordinary shares of RM1.00 each. Consequently, Impian Ikon's equity interest in Leaderonomics remains unchanged at 51%.

The acquisition of Leaderonomics had contributed the following results to the Group in the previous financial year:

|                             | 2008<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | 105            |
| Loss for the financial year | (299)          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES (cont'd)

(d) cont'd

The summary of effects on acquisition of the subsidiary in the previous financial year was as follows:

|                                       | Fair value<br>recognised<br>on acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------------------|--|--|
| Property, plant and equipment         | 5  | 5  |
| Receivables                           | 13   | 13   |
| Cash and bank balances                | 24   | 24   |
| Payables                              | (7)  | (7)  |
| Net assets                            | 35   | 35   |
| Less: Minority interest               | (17)   |  |
| Group's share of net assets           | 18   |  |
| Goodwill on acquisition (Note 10 (a)) | 2,022  |  |
| Total cost of acquisition             | 2,040  |  |

The cash outflow on acquisition was as follows:

|  | 2008<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 2,040          |
| Cash and cash equivalents of subsidiary acquired | (24)           |
| Net cash outflow of the Group on acquisition     | 2,016          |

- (e) In the previous financial year, the Company acquired the entire issued and paid-up ordinary share capital of Laviani Pte. Ltd. ("Laviani"), a company incorporated in Singapore which comprised 1 ordinary share of SGD1.00 for a cash consideration of RM2,370. The acquisition was completed on 2 October 2008. Laviani is an investment holding company.

The acquisition of Laviani had contributed the following results to the Group in the previous financial year:

|                             | 2008<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | -              |
| Loss for the financial year | (133)          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES (cont'd)

(e) cont'd

The summary of effects on acquisition of the subsidiary in the previous financial year was as follows:

|                           | Fair value<br>recognised on<br>acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------|--|--|
| Receivables               | 2  | 2  |
| Cash in hand              | *  | *  |
| Total cost of acquisition | 2  | 2  |

The cash outflow on acquisition was as follows:

|  | 2008<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 2              |
| Cash and cash equivalents of subsidiary acquired | (*)            |
| Net cash outflow of the Group on acquisition     | 2              |

\* represents RM2.00

(f) In the previous financial year, the Group successfully completed its voluntary takeover offer of Cityneon through Laviani. The Group acquired 63.73% of the issued and paid up ordinary share capital of Cityneon, a company incorporated in Singapore and listed on the Main Board of Singapore Exchange Securities Trading Limited, for a cash consideration of RM83,705,731. The acquisition was completed on 20 November 2008.

The acquisition of Cityneon had contributed the following results to the Group in the previous financial year:

|                             | 2008<br>RM'000 |
|-----------------------------|----------------|
| Revenue                     | 19,967         |
| Loss for the financial year | (172)          |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 33. ACQUISITIONS OF SUBSIDIARIES (cont'd)

(f) cont'd

The summary of effects on acquisition of the subsidiaries in the previous financial year was as follows:

|                                       | Fair value<br>recognised<br>on acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---------------------------------------|--|--|
| Property, plant and equipment         | 9,146  | 9,146                                      |
| Other investment                      | 783  | 783  |
| Receivables                           | 53,412   | 53,412                                     |
| Cash and bank balances                | 16,073   | 16,073                                     |
| Payables                              | (25,422)   | (25,422)                                   |
| Provision                             | (538)  | (538)                                      |
| Minority interest                     | (449)  | (449)                                      |
| Net assets                            | 53,005   | 53,005                                     |
| Less: Minority interest               | (19,479)   |  |
| Group's share of net assets           | 33,526   |  |
| Goodwill on acquisition (Note 10 (a)) | 50,180   |  |
| Total cost of acquisition             | 83,706   |  |

The cash outflow on acquisition was as follows:

|  | 2008<br>RM'000 |
|--|----------------|
| Purchase consideration settled in cash           | 83,706         |
| Cash and cash equivalents of subsidiary acquired | (16,073)       |
| Net cash outflow of the Group on acquisition     | 67,633         |

## 34. LIQUIDATION OF A SUBSIDIARY

On 8 September 2009, the Company announced that Star-IT Sdn. Bhd. ("Star-IT"), a 70% owned subsidiary of the Company, has been placed under Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965 and pursuant to passing of a special resolution by its members at an Extraordinary General Meeting.

The fair value of assets and liabilities of the subsidiary liquidated are as follow:

|   | 2009<br>RM'000 |
|---|----------------|
| Receivables                             | 3              |
| Short term deposits                     | 3,550          |
| Cash and bank balances                  | 109            |
| Tax refundable                          | 7              |
| Accruals                                | (2)            |
| Minority interest                       | (1,103)        |
| Net assets liquidated                   | 2,564          |
| Less: Loss on liquidation               | (16)           |
| Net proceeds from liquidation           | 2,548          |
| Cash and cash equivalents of subsidiary | (3,659)        |
| Net cash outflow on liquidation         | (1,111)        |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 35. RELATED PARTIES TRANSACTIONS

### (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 11 to the financial statements;
- (ii) Associate as disclosed in Note 12 to the financial statements;
- (iii) Jointly controlled entities as disclosed in Note 13 to the financial statements; and
- (iv) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| <b>Subsidiaries</b>                       |                |                |                |                |
| Sales of advertisement space              | -              | -              | 890            | 437            |
| Purchase of advertisement space           | -              | -              | 51             | -              |
| Purchase of airtime                       | -              | -              | 632            | 73             |
| Advertisement commission paid / payable   | -              | -              | 1,404          | 1,911          |
| Purchase of property, plant and equipment | -              | -              | 374            | -              |
| Event fees                                | -              | -              | 403            | -              |
| Disposal of property, plant and equipment | -              | -              | 501            | -              |
| Training fees paid / payable              | -              | -              | 583            | 53             |
| Interest received / receivable            | -              | -              | 227            | -              |
| <b>Jointly controlled entities</b>        |                |                |                |                |
| Sales of advertisement space              | -              | -              | 3              | 102            |
| <b>Related parties</b>                    |                |                |                |                |
| Sales of advertisement space              | 1,456          | -              | 1,456          | -              |

The related parties transactions described above were carried out on negotiated commercial terms.

Balances of the above related parties are as disclosed in Notes 16 and 26 to the financial statements.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 35. RELATED PARTIES TRANSACTIONS (cont'd)

### (c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:

|   | Group and Company |        |
|---|-------------------|--------|
|   | 2009              | 2008   |
|   | RM'000            | RM'000 |
| Short term employee benefits                | 9,851             | 10,724 |
| Contributions to defined contribution plans | 1,144             | 1,319  |
| Other long term benefits                    | -                 | 7,447  |
|   | 10,995            | 19,490 |

## 36. CONTINGENT LIABILITIES

### Group

There are several libel suits, which involve claims against the Group of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of the business, the Directors and the management do not expect the amounts of liabilities, if any, to be material to the financial statements.

The subsidiary, Cityneon Group, has given tender bonds and guarantees through banks to its landlord for office rental deposit amounting to RM1,363,000 (2008: RM1,317,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM26,504,000 (2008: RM6,851,000). The tender bonds and guarantees are secured by cash collaterals amounting to RM2,034,000 (2008: RM Nil).

### Company

There are several libel suits, which involve claims against the Company of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting legal counsel for litigation cases and internal and external experts to the Company for matters in the ordinary course of the business, the Directors and the management do not expect the amounts of liabilities, if any, to be material to the financial statements.

## 37. COMMITMENTS

### (a) Operating lease commitments

#### *The Group as a lessee*

Assets subject to the operating lease in 2009 and 2008 were computer equipment and office buildings under various operating leases.

|   | Group  |        |
|---|--------|--------|
|   | 2009   | 2008   |
|   | RM'000 | RM'000 |
| Not later than one (1) year                               | 1,457  | 2,311  |
| Later than one (1) year and not later than five (5) years | -      | 11,781 |
|   | 1,457  | 14,092 |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 37. COMMITMENTS (cont'd)

### (b) Capital commitments

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Authorised capital expenditure not provided for in the financial statements |                |                |                |                |
| - contracted  | 15,496         | 13,062         | 15,397         | 13,062         |
| - not contracted  | 9,153          | 3,701          | 9,153          | 3,701          |
|   | 24,649         | 16,763         | 24,550         | 16,763         |
| Analysed as follows:  |                |                |                |                |
| - Building  | 4,308          | -              | 4,308          | -              |
| - Plant and equipment   | 10,341         | 6,763          | 10,242         | 6,763          |
| - Investment  | 10,000         | 10,000         | 10,000         | 10,000         |
|   | 24,649         | 16,763         | 24,550         | 16,763         |

## 38. EMPLOYEE BENEFITS

|                                       | Group          |                | Company        |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | 2009<br>RM'000 | 2008<br>RM'000 | 2009<br>RM'000 | 2008<br>RM'000 |
| Salaries and wages                    | 157,089        | 137,441        | 116,085        | 123,328        |
| Defined contribution retirement plans | 19,002         | 18,487         | 15,578         | 16,975         |
| Others                                | 15,246         | 16,218         | 14,378         | 13,633         |
|                                       | 191,337        | 172,146        | 146,041        | 153,936        |

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM16,184,000 (2008: RM9,109,000) and RM9,004,000 (2008: RM8,526,000) respectively.

## 39. SEGMENT INFORMATION

### (a) Reporting format

The primary segment reporting format is determined to be business segments, based on the Group's management and internal reporting structure and as the Group's risks and returns are affected predominantly by differences in its products and services offered.

Inter-segment pricing is determined based on negotiated commercial terms.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 39. SEGMENT INFORMATION (cont'd)

### (b) Business segments

The Group comprises the following main business segments:

#### (i) Print and electronic media

Publication, printing and distribution of newspapers and magazines, advertising in print and electronic media and operations of wireless broadcasting stations.

#### (ii) Event, exhibition, interior and thematic

Provision of event organising management, provision of design, build and construct exhibitions, landscapes, water features, pavilions, thematic leisure and entertainment outlets, including rental of reuseable modules, furnishings and furniture.

#### (iii) Others

Provision of human capital development including training and consultancy, investment holding and investment of assets held.

### (c) Geographical segments

The Group operates mainly in Malaysia and Singapore. The revenue disclosed in geographical segments is based on the geographical location of its customers. Segment assets and segment expenditure are based on the geographical location of assets. The composition of each geographical segment is as follows:

#### (i) Malaysia

Publication, printing and distribution of newspapers and magazines, advertising in print and electronic media, operations of wireless broadcasting stations, provisions of human capital development and renovation contractor.

#### (ii) Singapore

Exhibition services and event management, interior design, landscaping and other thematic related services.

#### (iii) Middle East

Exhibition services and event management, interior design, landscaping and other thematic related services.

#### (iv) Asia Pacific (including Australia)

Investment holding, investment of assets held, exhibition services, event management, interior design, landscaping and other thematic related services.

#### (v) China

Exhibition services and event management, interior design, landscaping and other thematic related services.

#### (vi) USA / Europe / Others

Exhibition services and event management, interior design, landscaping and other thematic related services.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 39. SEGMENT INFORMATION (cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

|   | Print and<br>electronic<br>media<br>RM'000 | Event,<br>exhibition,<br>interior and<br>thematic<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---|--|---|------------------|------------------------|------------------------|
| <b>2009</b>   |  |   |                  |                        |                        |
| <b>Revenue</b>  |  |   |                  |                        |                        |
| Sales to external customers                                   | 751,191                                    | 221,455   | 1,275            | -                      | 973,921                |
| Inter-segment sales   | 2,977                                      | 905   | 583              | (4,465)                | -                      |
| Total revenue   | 754,168                                    | 222,360   | 1,858            | (4,465)                | 973,921                |
| <b>Results</b>  |  |   |                  |                        |                        |
| Segment results   | 191,603                                    | 11,730  | (3,624)          | -                      | 199,709                |
| Finance costs   | (14,505)                                   | (161)   | (987)            | -                      | (15,653)               |
| Interest income   | 10,096                                     | 222   | 4,376            | -                      | 14,694                 |
| Investment income   | 3,073                                      | -   | -                | -                      | 3,073                  |
| Share of loss of an associate                                 |  |   |                  |                        | (328)                  |
| Share of losses of jointly<br>controlled entities             |  |   |                  |                        | (4,340)                |
| Profit before tax   |  |   |                  |                        | 197,155                |
| Tax expense   |  |   |                  |                        | (47,522)               |
| Profit for the financial year                                 |  |   |                  |                        | 149,633                |
| <b>Assets</b>   |  |   |                  |                        |                        |
| Segment assets  | 1,484,600                                  | 187,418   | 130,463          | -                      | 1,802,481              |
| Investment in an associate                                    |  |   |                  |                        | 11,911                 |
| Investment in jointly controlled entities                     |  |   |                  |                        | 15,960                 |
| Total assets  |  |   |                  |                        | 1,830,352              |
| <b>Liabilities</b>  |  |   |                  |                        |                        |
| Segment liabilities   | 425,937                                    | 85,577  | 35,954           | -                      | 547,468                |
| <b>Other segment information</b>                              |  |   |                  |                        |                        |
| Capital expenditure   | 23,748                                     | 1,108   | 87               | -                      | 24,943                 |
| Depreciation  | 44,521                                     | 3,127   | 90               | -                      | 47,738                 |
| Amortisation  | 2,320                                      | 271   | -                | -                      | 2,591                  |
| Non-cash expenses other than<br>depreciation and amortisation | 3,251                                      | 156   | (7,561)          | -                      | (4,154)                |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 39. SEGMENT INFORMATION (cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments: (cont'd)

|   | Print and<br>electronic<br>media<br>RM'000 | Event,<br>exhibition,<br>interior and<br>thematic<br>RM'000 | Others<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|---|--|---|------------------|------------------------|------------------------|
| <b>2008</b>   |  |   |                  |                        |                        |
| <b>Revenue</b>  |  |   |                  |                        |                        |
| Sales to external customers                                   | 810,968                                    | 19,967  | 105              | -                      | 831,040                |
| Inter-segment sales   | 2,421                                      | -   | 53               | (2,474)                | -                      |
| <b>Total revenue</b>  | <b>813,389</b>                             | <b>19,967</b>   | <b>158</b>       | <b>(2,474)</b>         | <b>831,040</b>         |
| <b>Results</b>  |  |   |                  |                        |                        |
| Segment results   | 192,003                                    | 140   | (2,408)          | -                      | 189,735                |
| Finance costs   | (13,950)                                   | (6)   | (246)            | -                      | (14,202)               |
| Interest income   | 15,406                                     | -   | 7,250            | -                      | 22,656                 |
| Investment income   | 3,330                                      | -   | -                | -                      | 3,330                  |
| Share of losses of jointly<br>controlled entities             |  |   |                  |                        | (56)                   |
| Profit before tax   |  |   |                  |                        | 201,463                |
| Tax expense   |  |   |                  |                        | (62,762)               |
| <b>Profit for the financial year</b>                          |  |   |                  |                        | <b>138,701</b>         |
| <b>Assets</b>   |  |   |                  |                        |                        |
| Segment assets  | 1,494,523                                  | 112,291   | 102,065          | -                      | 1,708,879              |
| Investments in jointly<br>controlled entities                 |  |   |                  |                        | 20,300                 |
| <b>Total assets</b>   |  |   |                  |                        | <b>1,729,179</b>       |
| <b>Liabilities</b>  |  |   |                  |                        |                        |
| Segment liabilities   | 428,109                                    | 30,422  | 36,661           | -                      | 495,192                |
| <b>Other segment information</b>                              |  |   |                  |                        |                        |
| Capital expenditure   | 10,068                                     | 1,221   | 140              | -                      | 11,429                 |
| Depreciation  | 42,791                                     | 327   | 125              | -                      | 43,243                 |
| Amortisation  | 2,320                                      | -   | -                | -                      | 2,320                  |
| Non-cash expenses other than<br>depreciation and amortisation | 45,774                                     | 2,050   | -                | -                      | 47,824                 |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 39. SEGMENT INFORMATION (cont'd)

The following table provides an analysis of the Group's revenue, segment assets and capital expenditure by geographical segments:

|                                    | Revenue |         | Segment assets |           | Capital expenditure |        |
|------------------------------------|---------|---------|----------------|-----------|---------------------|--------|
|                                    | 2009    | 2008    | 2009           | 2008      | 2009                | 2008   |
|                                    | RM'000  | RM'000  | RM'000         | RM'000    | RM'000              | RM'000 |
| Malaysia                           | 755,967 | 816,319 | 1,550,410      | 1,554,821 | 23,850              | 7,139  |
| Singapore                          | 135,875 | 6,950   | 112,886        | 39,412    | 563                 | 3,628  |
| Middle East                        | 56,034  | 5,583   | 44,759         | 36,725    | 513                 | 647    |
| Asia Pacific (including Australia) | 25,443  | 1,281   | 121,938        | 97,109    | -                   | 9      |
| China                              | 602     | -       | 359            | 158       | 17                  | 6      |
| USA / Europe / Others              | -       | 907     | -              | 954       | -                   | -      |
|                                    | 973,921 | 831,040 | 1,830,352      | 1,729,179 | 24,943              | 11,429 |

## 40. FINANCIAL INSTRUMENTS

### (a) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, credit risk, liquidity and cash flow risk and interest rate risk.

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, a global insurance programme and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which cover the management of these risks.

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain exposures. It does not trade in financial instruments.

### (i) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities. The Group uses derivative financial instrument such as forward foreign exchange contracts to hedge certain exposures, where necessary.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group and the Company do not hedge this exposure with foreign currency borrowings except for bank loan of RM34,587,000 (2008: RM34,251,000), which is denominated in Singapore Dollar and was used to part finance the acquisition of Cityneon and its subsidiaries.

The subsidiary of the Group, Cityneon Group, entered into forward foreign exchange contracts to manage exposure to fluctuations in foreign currency rates on specific transactions. Cityneon Group entered into a forward foreign exchange contract to buy Euro with a financial institution, at a spot rate of USD 1.57 / Euro 1, and this will take place at six transaction dates over the period of 15 May 2008 to 17 December 2010. The purpose of these contracts is to hedge the Omani Riyal receipts, which are pegged to US Dollars, against future Euro currency payments.

As at 31 December 2009, the settlement dates on the open forward foreign exchange contracts range from four (4) months to twelve (12) months.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 40. FINANCIAL INSTRUMENTS (cont'd)

### (a) Financial risk management objectives and policies (cont'd)

#### (i) Foreign currency exchange risk (cont'd)

The Euro to be received on the contractual exchange rate of outstanding contracts and their corresponding favourable and unfavourable fair values at the end of the financial year was:

| Maximum notional amount | Expiry date      | Exchange rate     |
|-------------------------|------------------|-------------------|
| Buy Euro 250,000        | 15 April 2010    | USD 1.57 / Euro 1 |
| Buy Euro 250,000        | 15 December 2010 | USD 1.57 / Euro 1 |

The fair value of forward foreign exchange contracts have been calculated using the rates quoted by a licensed financial institution at the end of the financial year.

The unrecognised gain as at 31 December 2009 on the forward foreign currency contract amounting to RM810,000 are deferred and will be recognised when the related purchases are transacted, at which time they are included in the measurement of the transactions.

#### (ii) Credit risk

Credit risk arises when derivative instruments are used or sales made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

At balance sheet date, the Company has significant exposure in respect of amount owing by subsidiaries but there were no significant concentration credit risk for the Group. The maximum exposure of credit risk is represented by the carrying amount of each financial asset.

#### (iii) Liquidity and cash flow risk

The Group is actively managing its operating cash flow to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

#### (iv) Interest rate risk

The Group's and the Company's fixed rate deposits with licensed banks and borrowings are exposed to a risk of changes in their fair value due to changes in market interest rates. The Group's floating or variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. There is no formal hedging policy with respect to interest rate exposure.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 40. FINANCIAL INSTRUMENTS (cont'd)

### (a) Financial risk management objectives and policies (cont'd)

#### (iv) Interest rate risk (cont'd)

The table below summarises the carrying amount and the average effective interest rate as at balance sheet date of the Group's and the Company's financial assets and liabilities, categorised by their maturity dates, which represent the Group's and the Company's exposure to interest rate risk and the periods in which they reprice or mature, whichever is earlier.

|                                     | Note | Average<br>effective<br>interest<br>rate per<br>annum<br>% | Within<br>1 year<br>RM'000 | 1 - 2<br>years<br>RM'000 | 2 - 3<br>years<br>RM'000 | 3 - 4<br>years<br>RM'000 | 4 - 5<br>years<br>RM'000 | More<br>than<br>5 years<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|------|--|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------------------|-----------------|
| <b>Group</b>                        |      |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>As at 31 December 2009</b>       |      |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>Fixed rates</b>                  |      |  |                            |                          |                          |                          |                          |                                   |                 |
| Deposits placed with licensed banks | 19   | 2.57   | 672,084                    | -                        | -                        | -                        | -                        | -                                 | 672,084         |
| Finance lease liabilities           | 25   | 6.24   | (971)                      | (966)                    | (1,003)                  | (1,037)                  | (1,102)                  | (5,054)                           | (10,133)        |
| Medium Term Notes                   | 22   | 5.59   | (250,000)                  | -                        | -                        | -                        | -                        | -                                 | (250,000)       |
| Bank loan (secured)                 | 24   | 3.63   | -                          | -                        | (34,587)                 | -                        | -                        | -                                 | (34,587)        |
| <b>Floating rate</b>                |      |  |                            |                          |                          |                          |                          |                                   |                 |
| Bank loan (secured)                 | 24   | 5.00   | (4,245)                    | -                        | -                        | -                        | -                        | -                                 | (4,245)         |
| <b>As at 31 December 2008</b>       |      |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>Fixed rates</b>                  |      |  |                            |                          |                          |                          |                          |                                   |                 |
| Deposits placed with licensed banks | 19   | 4.33   | 566,147                    | -                        | -                        | -                        | -                        | -                                 | 566,147         |
| Finance lease liabilities           | 25   | 5.80   | (167)                      | (169)                    | (177)                    | (161)                    | (138)                    | (620)                             | (1,432)         |
| Medium Term Notes                   | 22   | 5.59   | - (250,000)                | -                        | -                        | -                        | -                        | -                                 | (250,000)       |
| <b>Floating rate</b>                |      |  |                            |                          |                          |                          |                          |                                   |                 |
| Bank loan (unsecured)               | 24   | 4.00   | (34,251)                   | -                        | -                        | -                        | -                        | -                                 | (34,251)        |

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 40. FINANCIAL INSTRUMENTS (cont'd)

(a) Financial risk management objectives and policies (cont'd)

(iv) Interest rate risk (cont'd)

|                                     | Note  | Average<br>effective<br>interest<br>rate per<br>annum<br>% | Within<br>1 year<br>RM'000 | 1 - 2<br>years<br>RM'000 | 2 - 3<br>years<br>RM'000 | 3 - 4<br>years<br>RM'000 | 4 - 5<br>years<br>RM'000 | More<br>than<br>5 years<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|-------|--|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------------------|-----------------|
| <b>Company</b>                      |       |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>As at 31 December 2009</b>       |       |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>Fixed rates</b>                  |       |  |                            |                          |                          |                          |                          |                                   |                 |
| Amount due from a subsidiary        | 16(a) | 5.00   | 9,744                      | -                        | -                        | -                        | -                        | -                                 | 9,744           |
| Deposits placed with licensed banks | 19    | 2.22   | 531,413                    | -                        | -                        | -                        | -                        | -                                 | 531,413         |
| Medium Term Notes                   | 22    | 5.59   | (250,000)                  | -                        | -                        | -                        | -                        | -                                 | (250,000)       |
| <b>As at 31 December 2008</b>       |       |  |                            |                          |                          |                          |                          |                                   |                 |
| <b>Fixed rates</b>                  |       |  |                            |                          |                          |                          |                          |                                   |                 |
| Deposits placed with licensed banks | 19    | 3.55   | 445,204                    | -                        | -                        | -                        | -                        | -                                 | 445,204         |
| Medium Term Notes                   | 22    | 5.59   | - (250,000)                | -                        | -                        | -                        | -                        | -                                 | (250,000)       |



# Notes to the Financial Statements

31 December 2009 (cont'd)

## 40. FINANCIAL INSTRUMENTS (cont'd)

### (b) Fair values

The carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables, and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of long term amounts owing by subsidiaries have not been determined as the timing of the expected cash flows of these balances cannot be reasonably determined without incurring excessive cost due to principally lack of fixed repayment terms between the parties involved.

The fair values of other financial assets and liabilities of the Group and of the Company together with the carrying amounts shown in the balance sheets, are as follows:

|                                     | Group                        |                         | Company                      |                         |
|-------------------------------------|------------------------------|-------------------------|------------------------------|-------------------------|
|                                     | Carrying<br>amount<br>RM'000 | Fair<br>value<br>RM'000 | Carrying<br>amount<br>RM'000 | Fair<br>value<br>RM'000 |
| <b>As at 31 December 2009</b>       |                              |                         |                              |                         |
| <b>Recognised</b>                   |                              |                         |                              |                         |
| Other non-current assets            | 1,825                        | 1,825                   | -                            | -                       |
| Quoted investment funds in Malaysia | 41,137                       | 41,312                  | 41,137                       | 41,312                  |
| Quoted bonds in Australia           | 6,215                        | 6,181                   | -                            | -                       |
| Finance lease liabilities           | (10,133)                     | (9,375)                 | -                            | -                       |
| Bank loan with fixed interest rate  | (34,587)                     | (32,852)                | -                            | -                       |
| <b>As at 31 December 2008</b>       |                              |                         |                              |                         |
| <b>Recognised</b>                   |                              |                         |                              |                         |
| Medium Term Notes                   | (250,000)                    | (235,435)               | (250,000)                    | (235,435)               |
| Finance lease liabilities           | (1,432)                      | (1,222)                 | -                            | -                       |

The methods and assumptions used by management to determine the fair values of the financial instruments are as follows:

#### (i) Quoted investment funds and bonds

The fair value of quoted investments is the closing market price at the balance sheet date.

In the absence of an active market, fair value is estimated by using discounted cash flow analysis. Estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yield, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counter parties. Discount rates are influenced by risk-free interest rates and credit risk.

#### (ii) Medium Term Notes and finance lease liabilities

The fair values of these borrowings have been determined using discounted cash flow technique. The discount rates used are based on the latest available rates offered by financial institutions / creditors.

# Notes to the Financial Statements

31 December 2009 (cont'd)

## 41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 9 April 2009, Cityneon Holdings Limited ("Cityneon"), a subsidiary of the Company incorporated in Singapore, announced the incorporation of a wholly-owned subsidiary in Vietnam. The newly incorporated wholly-owned subsidiary, Cityneon Exhibition Services (Vietnam) Co. Ltd. has a charter capital equivalent to USD50,000.
- (b) On 13 April 2009, Cityneon announced that it has increased its investment in its wholly-owned subsidiary, Cityneon (Middle East) W.L.L. ("Cityneon ME") from Bahrain Dinar ("BD") 20,000 to BD100,000. The capital injection of BD80,000 is made by way of capitalising the loan amounting to BD80,000 owing by Cityneon ME to Cityneon.
- (c) On 6 May 2009, the Company announced that it has acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Daily Bid (M) Sdn. Bhd. ("Daily Bid"), a company incorporated in Malaysia. Daily Bid subsequently changed its name to JustJobs Sdn. Bhd. on 13 August 2009.
- (d) On 18 June 2009, the Company entered into a Sale and Purchase Agreement to acquire 20% interest in 701Sou (Hong Kong) Pte. Limited, a company incorporated in Hong Kong, for a consideration of SGD5,000,000.
- (e) On 21 July 2009, Cityneon announced that it has increased its investment in Themewerks Pte. Ltd. ("Themewerks"), a wholly-owned subsidiary by an additional investment of SGD180,000, increasing the share capital of Themewerks from SGD120,000 to SGD300,000. It also increased its investment in Artsclapes Themewerks Pte. Ltd. ("Artsclapes"), a 65% owned subsidiary of Themewerks by additional investment of SGD130,000 through Themewerks, thereby increasing the share capital of Artsclapes from SGD100,000 to SGD300,000. Themewerks and Artsclapes are both incorporated in Singapore and their principal activities are to design, build and construct, manufacture and trade in projects and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets.
- (f) On 11 August 2009, Laviani, a wholly-owned subsidiary of the Company increased its equity interest in Cityneon from 63.73% to 68.73% by acquisition of additional 4,426,270 shares in Cityneon for a purchase consideration of SGD2,700,025. Subsequently on 25 September 2009, Laviani disposed 8,542,000 shares in Cityneon for a total consideration of SGD3,645,340. As a result, the effective controlling interest in Cityneon by the Company decreased from 68.75% to 59.08%. The disposal was to fulfil the shareholding spread requirement of Cityneon under Rule 723 and Rule 1105 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"). Subsequent to the disposal, Cityneon shares were reinstated in the SGX on 29 September 2009.
- (g) On 8 September 2009, the Company announced that Star-IT Sdn. Bhd. ("Star-IT"), a 70% owned subsidiary of the Company, has been placed under Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965 and pursuant to passing of a special resolution by its members at an Extraordinary General Meeting.
- (h) The Company incorporated a wholly-owned subsidiary, Star MediaWorks Sdn. Bhd. ("SMSB") on 10 September 2009. SMSB has an authorised share capital of RM5,000,000 consisting of 5,000,000 ordinary shares of RM1.00 each with a paid-up share capital of RM2.00 comprising two shares at RM1.00 each. The intended principal activities of SMSB are investment holding and multimedia content development.
- (i) On 16 November 2009, the Company transferred its investment in three wholly-owned subsidiaries, namely StarProperty Sdn. Bhd. (formerly known as Star Rediffusion Sdn. Bhd.), JustJobs and I.Star Sdn. Bhd. to SMSB, a wholly-owned subsidiary of the Company. The transfer is an internal restructuring move to streamline the operations of the Group for better efficiency.

## 42. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

On 3 March 2010, the Company entered into a joint development agreement ("the Agreement") with JAKS Island Circle Sdn. Bhd. ("the Developer") to develop a piece of property held by the Company into mixed residential and commercial development ("Proposed Development") with an estimated gross development value ("GDV") of RM370 million. The Developer is a company incorporated in Malaysia and is an indirect subsidiary of JAKS Resources Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

Pursuant to the Agreement, the Company shall be entitled to the saleable office units in the Proposed Development of 30% of the GDV or RM111 million, whichever is higher. All costs and expenses shall be borne entirely by the Developer and estimated development cost for the Proposed Development is RM280 million.

## List of Properties

| Location  | Tenure                    | Size                                   | Description   | Approximate age of buildings (years) | Net book value RM'000 | Year of acquisition / Last revaluation# |
|---|---------------------------|--|---|--------------------------------------|-----------------------|---|
| 15-19, Jalan Masjid Kapitan Keling<br>10200 Pulau Pinang  | Leasehold<br>Expiry: 2055 | 22,640 sq. ft.                         | Office block  | Pre-war                              | 1,038                 | 1983#                                   |
| 13, Jalan 13/6<br>46200 Petaling Jaya<br>Selangor Darul Ehsan   | Leasehold<br>Expiry: 2062 | 132,721 sq. ft.                        | Building on industrial land                             | 37                                   | 12,512                | 1991                                    |
| 11, Jalan 13/6<br>46200 Petaling Jaya<br>Selangor Darul Ehsan   | Leasehold<br>Expiry: 2062 | 131,730 sq. ft.                        | Building on industrial land                             | 37                                   | 11,043                | 1994                                    |
| 26A, Randolph Avenue<br>London W9 1BL<br>United Kingdom   | Leasehold<br>Expiry: 2086 | 1,440 sq. ft.                          | 2-storey semi-detached / house / residential cum office | 49                                   | 959                   | 1995                                    |
| Kawasan Perindustrian Bukit Minyak, Mukim 13<br>Daerah Seberang Perai<br>14100 Bukit Mertajam<br>Pulau Pinang       | Leasehold<br>Expiry: 2056 | 172,644 sq. ft.                        | Newsprint warehouse                                     | 12                                   | 9,806                 | 1995                                    |
| Menara Star<br>15, Jalan 16/11<br>46350 Petaling Jaya<br>Selangor Darul Ehsan                                       | Freehold                  | 165,000 sq. ft.                        | 17-storey tower block                                   | 9                                    | 45,715                | 2001                                    |
| 2, Jalan Astaka U8/88<br>Section U8<br>Bukit Jelutong<br>Industrial Park<br>40150 Shah Alam<br>Selangor Darul Ehsan | Freehold                  | 405,979 sq. ft.<br>205,117 sq. ft.     | Industrial land<br>Printing plant                       | N/A<br>9                             | 22,495<br>37,414      | 1997<br>2001                            |
| 202, Jalan Sultan Azlan Shah<br>11900 Bayan Lepas<br>Pulau Pinang   | Freehold                  | 12,086 sq. metres<br>19,472 sq. metres | Industrial land<br>Regional office and printing plant   | N/A<br>8                             | 11,954<br>22,384      | 1997<br>2002                            |
| Lot 9, First Floor<br>Block B, Lintas Square<br>88300 Kota Kinabalu<br>Sabah  | Leasehold<br>Expiry: 2996 | 1,210 sq. ft.                          | Office block  | 11                                   | 211                   | 1999                                    |
| Lot No. 6037<br>Mukim Bentong<br>Daerah Bentong<br>Pahang Darul Makmur  | Freehold                  | 9.387 acres                            | Vacant residential land                                 | N/A                                  | 2,096                 | 1999                                    |

## List of Properties

| Location   | Tenure                    | Size                | Description                        | Approximate age of buildings (years) | Net book value RM'000 | Year of acquisition / Last revaluation# |
|--|---------------------------|---------------------|------------------------------------|--------------------------------------|-----------------------|---|
| GM 611 Lot Nos. 3162<br>Mukim Bentong<br>Pahang Darul Makmur   | Freehold                  | 3.434 acres         | Vacant agriculture land            | N/A                                  | 1,079                 | 1999                                    |
| GM 612, Lot Nos. 6036<br>Mukim Bentong<br>Pahang Darul Makmur  | Freehold                  | 0.918 acres         | Vacant residential land            | N/A                                  |                       |   |
| Lot No. 60<br>Mukim of Tanah Rata<br>Bintang Cottage, A38<br>Jalan Pekeliling<br>Padang Golf, Tanah Rata<br>Cameron Highlands<br>Pahang Darul Makmur | Leasehold<br>Expiry: 2036 | 60,387 sq. ft.      | Single storey detached house       | Pre-war                              | 1,723                 | 2002                                    |
| Unit A 4103<br>SOHO Xian Dai Cheng<br>No. 88, Jian Guo Road<br>Chao Yang District<br>Beijing 100022<br>Peoples' Republic of China                    | Leasehold<br>Expiry: 2070 | 386.41 sq. metres   | Top floor of a 42-storey building  | 6                                    | 2,172                 | 2004                                    |
| No. 7, Jalan Tiang U8/93<br>Section U8<br>Bukit Jelutong<br>Industrial Park<br>40150 Shah Alam<br>Selangor Darul Ehsan                               | Freehold                  | 108,900 sq. ft.     | Industrial land                    | N/A                                  | 4,380                 | 2004                                    |
| No. 9, Jalan Tiang U8/93<br>Section U8<br>Bukit Jelutong<br>Industrial Park<br>40150 Shah Alam<br>Selangor Darul Ehsan                               | Freehold                  | 111,078 sq. ft.     | Industrial land                    | N/A                                  | 4,443                 | 2004                                    |
| 10 Anson Road<br>#19-14 International Plaza<br>Singapore 079903  | Leasehold<br>Expiry: 2070 | 219 sq. metres      | 19th floor on a 50-storey building | 34                                   | 3,043                 | 2005                                    |
| Neighbourhood Commercial Centre<br>GF to 3F, U6, Phase 19<br>62250 Putrajaya   | Freehold                  | 1,690.72 sq. metres | 4-storey shop office               | 5                                    | 4,079                 | 2005                                    |

## List of Properties

| Location   | Tenure                    | Size              | Description                                    | Approximate age of buildings (years) | Net book value RM'000 | Year of acquisition / Last revaluation# |
|--|---------------------------|-------------------|--|--------------------------------------|-----------------------|---|
| 8, Lorong Chung Thye Phin<br>30250 Ipoh<br>Perak Darul Ridzuan   | Leasehold<br>Expiry: 2893 | 787.87 sq. metres | Commercial land                                | N/A                                  | 611                   | 2005                                    |
| 10, Lorong Chung Thye Phin<br>30250 Ipoh<br>Perak Darul Ridzuan  | Leasehold<br>Expiry: 2893 | 834.66 sq. metres | Commercial land                                | N/A                                  | 648                   | 2005                                    |
| No. 1 Jalan Tunku Bukit Tunku<br>50480 Kuala Lumpur  | Leasehold<br>Expiry: 2085 | 6,475 sq. metres  | 3 detached houses on residential land          | 27-52                                | 20,927                | 2005                                    |
| No. 1 Jalan Tunku Bukit Tunku<br>50480 Kuala Lumpur  | Leasehold<br>Expiry: 2089 | 2,523 sq. metres  |  |                                      |                       | 2005                                    |
| Klang Town Commercial Centre<br>No 35 Lebuhr Tapah<br>Bandar Klang<br>41400 Klang<br>Selangor Darul Ehsan    | Freehold                  | 445.93 sq. metres | 3-storey shop office                           | 3                                    | 816                   | 2007                                    |
| 17, Jalan 16/12B<br>46350 Petaling Jaya<br>Selangor Darul Ehsan  | Freehold                  | 4,725 sq. ft.     | 3-storey semi-detached house                   | 1                                    | 2,587                 | 2009                                    |
| 19, Jalan 16/12B<br>46350 Petaling Jaya<br>Selangor Darul Ehsan  | Freehold                  | 4,725 sq. ft.     | 3-storey semi-detached house                   | 1                                    | 2,587                 | 2009                                    |
| No. 37 Jalan USJ Sentral 3<br>USJ Sentral<br>Persiaran Subang 1<br>47600 Subang Jaya<br>Selangor Darul Ehsan | Freehold                  | 10,080 sq. ft.    | 5-storey shop office & 1 lower ground car park | 1                                    | 2,786                 | 2009                                    |
| No. 39 Jalan USJ Sentral 3<br>USJ Sentral<br>Persiaran Subang 1<br>47600 Subang Jaya<br>Selangor Darul Ehsan | Freehold                  | 13,278 sq. ft.    | 5-storey shop office & 1 lower ground car park | 1                                    | 3,625                 | 2009                                    |



# Analysis of Shareholdings

as at 31 March 2010

## SHARE CAPITAL

|                          |   |                                |
|--------------------------|---|--------------------------------|
| Authorised Share Capital | : | RM1,000,000,000                |
| Issued & Paid-up Capital | : | RM738,563,602                  |
| Class of Shares          | : | Ordinary Shares of RM1.00 each |
| Voting Rights            | : | 1 vote per ordinary share      |

## ANALYSIS BY SIZE OF HOLDINGS

| SIZE OF HOLDINGS     | NO OF<br>SHAREHOLDERS /<br>DEPOSITORS | % OF<br>SHAREHOLDERS /<br>DEPOSITORS | NO OF SHARES /<br>SECURITIES<br>HELD | % OF<br>ISSUED<br>CAPITAL |
|----------------------|---------------------------------------|--------------------------------------|--------------------------------------|---------------------------|
| 1 - 99               | 76                                    | 1.583                                | 1,478                                | 0.000                     |
| 100 - 1,000          | 1,086                                 | 22.625                               | 944,356                              | 0.128                     |
| 1,001 - 10,000       | 2,867                                 | 59.729                               | 11,657,284                           | 1.578                     |
| 10,001 - 100,000     | 629                                   | 13.104                               | 18,967,284                           | 2.568                     |
| 100,001 - 36,924,669 | 139                                   | 2.896                                | 236,563,440                          | 32.030                    |
| 36,924,670 AND ABOVE | 3                                     | 0.063                                | 470,359,560                          | 63.686                    |
| <b>Sub Total</b>     | <b>4,800</b>                          | <b>100.000</b>                       | <b>738,493,402</b>                   | <b>99.990</b>             |
| Treasury Shares      |                                       |                                      | 70,200                               | 0.010                     |
| <b>Total</b>         |                                       |                                      | <b>738,563,602</b>                   | <b>100.000</b>            |

## THIRTY LARGEST SHAREHOLDERS / DEPOSITORS AS AT 31 MARCH 2010

| NO | NAME   | NORMAL<br>HOLDING | HOLDING<br>PERCENTAGE |
|----|--|-------------------|-----------------------|
| 1  | HUAREN HOLDINGS SDN BHD                                    | 298,615,760       | 40.432                |
| 2  | EMPLOYEES PROVIDENT FUND BOARD                             | 118,593,900       | 16.057                |
| 3  | AMANAHRAYA TRUSTEES BERHAD<br>SKIM AMANAH SAHAM BUMIPUTERA | 53,149,900        | 7.196                 |
| 4  | VALUECAP SDN BHD   | 23,603,700        | 3.196                 |
| 5  | KUMPULAN WANG PERSARAAN (DIPERBADANKAN)                    | 19,769,500        | 2.678                 |

## Analysis of Shareholdings

as at 31 March 2010

| NO | NAME   | NORMAL<br>HOLDING | HOLDING<br>PERCENTAGE |
|----|--|-------------------|-----------------------|
| 6  | AMANAHRAYA TRUSTEES BERHAD<br>AMANAH SAHAM MALAYSIA  | 19,571,300        | 2.650                 |
| 7  | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD<br>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)                                | 18,359,100        | 2.486                 |
| 8  | LEMBAGA TABUNG HAJI  | 18,312,800        | 2.479                 |
| 9  | AMANAHRAYA TRUSTEES BERHAD<br>AMANAH SAHAM DIDIK   | 16,942,700        | 2.294                 |
| 10 | HSBC NOMINEES (ASING) SDN BHD<br>BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL  | 12,300,100        | 1.665                 |
| 11 | PERMODALAN NASIONAL BERHAD   | 10,841,800        | 1.468                 |
| 12 | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>HUAREN HOLDINGS SDN BHD (PBL)  | 7,777,200         | 1.053                 |
| 13 | LEMBAGA TABUNG ANGKATAN TENTERA  | 7,392,600         | 1.001                 |
| 14 | CITIGROUP NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR AMERICAN INTERNATIONAL<br>ASSURANCE BERHAD                                      | 4,729,000         | 0.640                 |
| 15 | CARTABAN NOMINEES (ASING) SDN BHD<br>GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION<br>PTE LTD FOR GOVERNMENT OF SINGAPORE (C)         | 4,594,500         | 0.622                 |
| 16 | HSBC NOMINEES (ASING) SDN BHD<br>EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES<br>(SINGAPORE - SGD)                                    | 2,800,000         | 0.379                 |
| 17 | MAYBAN NOMINEES (TEMPATAN) SDN BHD<br>ABERDEEN ASSET MANAGEMENT SDN BHD FOR KUMPULAN<br>WANG PERSARAAN (DIPERBADANKAN) (FD 1 - 280305) | 2,792,000         | 0.378                 |
| 18 | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD<br>GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)                                | 2,782,500         | 0.377                 |

## Analysis of Shareholdings

at as 31 March 2010

| NO | NAME  | NORMAL HOLDING     | HOLDING PERCENTAGE |
|----|---|--------------------|--------------------|
| 19 | AMANAHRAYA TRUSTEES BERHAD<br>PUBLIC ISLAMIC ASIA DIVIDEND FUND   | 2,316,800          | 0.314              |
| 20 | KOPERASI JAYADIRI MALAYSIA BERHAD   | 2,296,000          | 0.311              |
| 21 | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN) | 2,239,000          | 0.303              |
| 22 | MAYBAN NOMINEES (TEMPATAN) SDN BHD<br>ABERDEEN ASSET MANAGEMENT SDN BHD FOR THE EMPLOYEES' PROVIDENT FUND BOARD (250416)                      | 2,232,000          | 0.302              |
| 23 | RHB NOMINEES (TEMPATAN) SDN BHD<br>RHB INVESTMENT MANAGEMENT SDN BHD FOR KUMPULAN WANG SIMPANAN PEKERJA                                       | 2,000,000          | 0.271              |
| 24 | CARTABAN NOMINEES (ASING) SDN BHD<br>GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR MONETARY AUTHORITY OF SINGAPORE (H)           | 1,918,600          | 0.260              |
| 25 | AMANAHRAYA TRUSTEES BERHAD<br>PUBLIC ISLAMIC DIVIDEND FUND  | 1,556,400          | 0.211              |
| 26 | AMANAHA RAYA BERHAD<br>KUMPULAN WANG BERSAMA SYARIAH  | 1,510,000          | 0.204              |
| 27 | KUMPULAN WANG SIMPANAN PEKERJA  | 1,500,000          | 0.203              |
| 28 | TENGGU NERANG PUTRA   | 1,466,144          | 0.198              |
| 29 | SBB NOMINEES (TEMPATAN) SDN. BHD.<br>EMPLOYEES PROVIDENT FUND BOARD   | 1,415,100          | 0.192              |
| 30 | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD<br>EXEMPT AN FOR DEUTSCHE TRUSTEES MALAYSIA BERHAD (MYETF-DJIM25)                           | 1,409,600          | 0.191              |
|    | <b>TOTAL</b>  | <b>664,788,004</b> | <b>90.011</b>      |

## Analysis of Shareholdings

at as 31 March 2010

### DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register Of Directors' Shareholdings)

| Name of Directors                            | No. of<br>shares held<br>direct interest | % of<br>Issued<br>capital | No. of<br>shares held<br>indirect interest | % of<br>Issued<br>capital |
|--|--|---------------------------|--|---------------------------|
| Dato' Clement Hii Chii Kok                   | -  | -                         | -  | -                         |
| Datin Linda Ngiam Pick Ngoh                  | 994,000                                  | 0.135                     | -  | -                         |
| Tan Sri Datuk Seri Kamal Mohamed Hashim      | 100,000                                  | 0.014                     | 900,000                                    | 0.122                     |
| Mr Ng Beng Lye                               | -  | -                         | -  | -                         |
| Datuk Seri Wong Chun Wai                     | 2,000                                    | -                         | -  | -                         |
| Datuk Leong Tang Chong                       | -  | -                         | -  | -                         |
| Dato' Wira Syed Abdul Jabbar bin Syed Hassan | -  | -                         | -  | -                         |
| Dato' Dr. Mohd Aminuddin bin Mohd Rouse      | -  | -                         | -  | -                         |
| Tan Sri Dato' Dr. Sak Cheng Lum              | -  | -                         | -  | -                         |
| Mr Foo San Kan                               | -  | -                         | -  | -                         |
| Mr Tan Foong Luen                            | -  | -                         | -  | -                         |

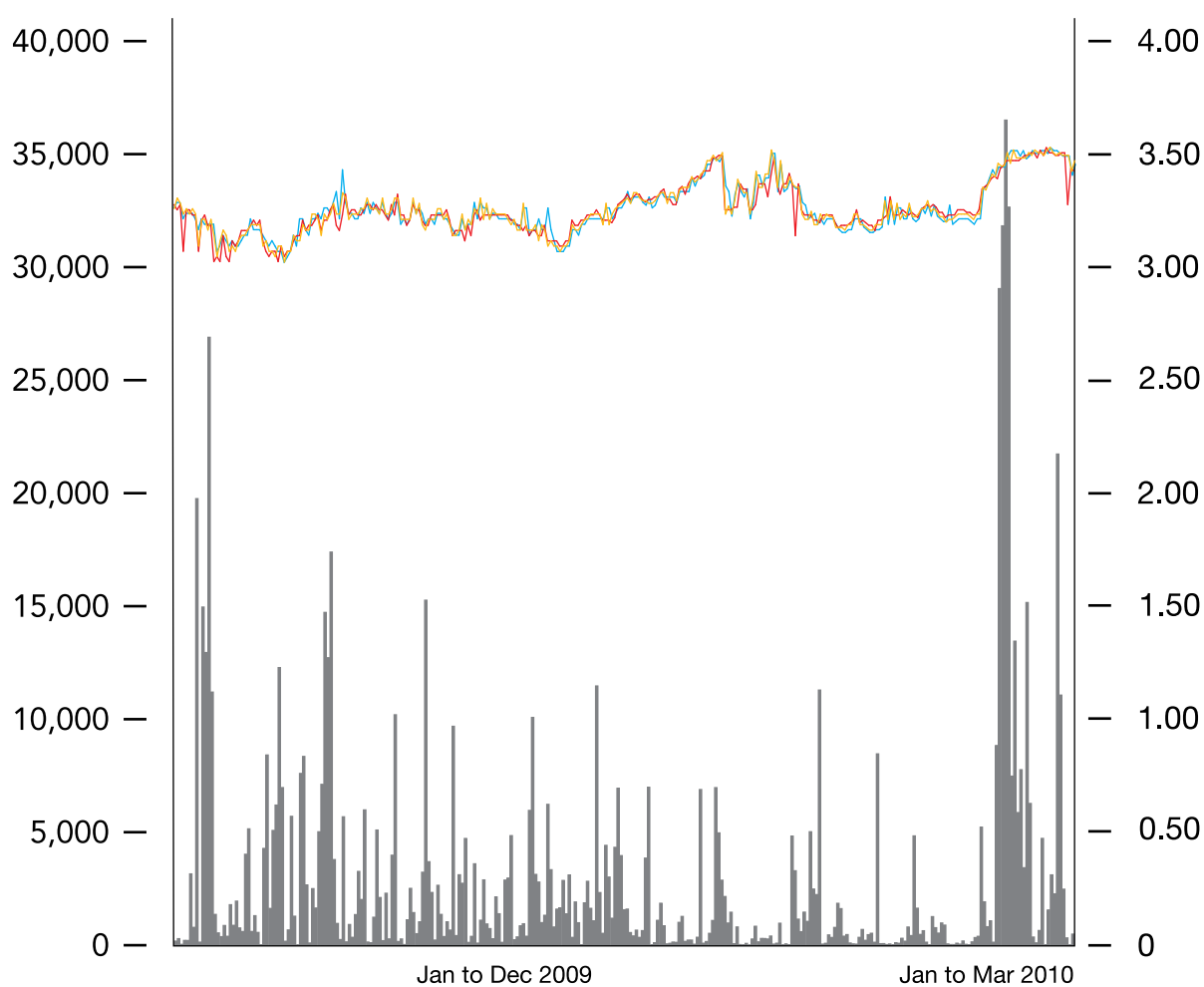
### SUBSTANTIAL SHAREHOLDERS

(As Per Register Of Substantial Shareholders)

|   |             |        |         |       |
|---|-------------|--------|---------|-------|
| Huaren Holdings Sdn Bhd                                   | 306,392,960 | 41.485 | 200,000 | 0.027 |
| Employees Provident Fund                                  | 128,263,100 | 17.367 | -       | -     |
| AmanahRaya Trustees Bhd<br>- Skim Amanah Saham Bumiputera | 53,149,900  | 7.196  | -       | -     |

# Share Performance Chart

Share prices and volume traded for the period  
1 January 2009 to 31 March 2010



Volume Traded

Close

Highest

Lowest

# Corporate Directory

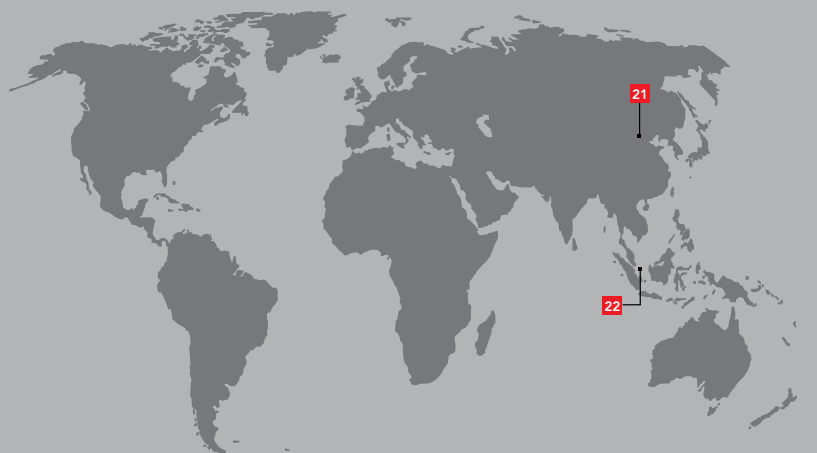
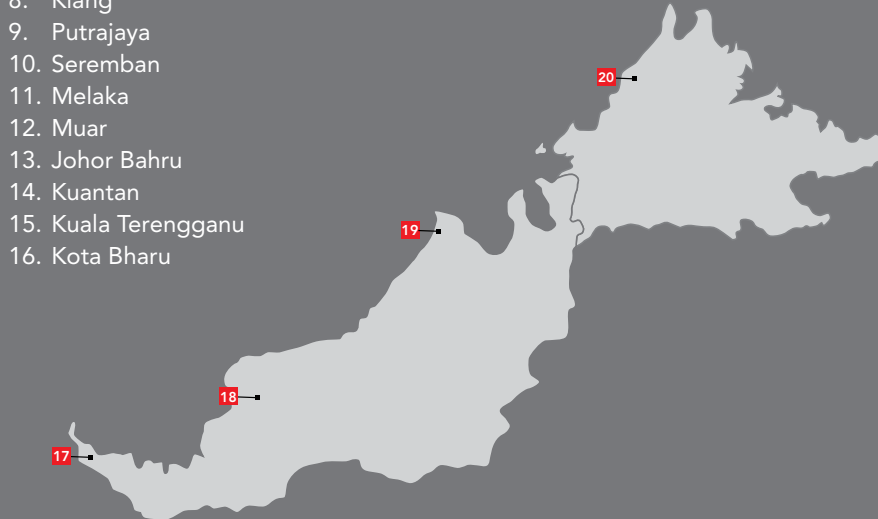
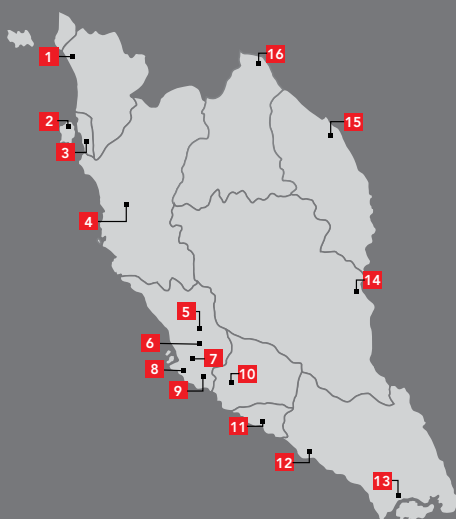
## PENINSULAR MALAYSIA

1. Alor Setar
2. Star Northern Hub, Pulau Pinang
3. Prai

4. Ipoh
5. Kuala Lumpur
6. Menara Star, Petaling Jaya (HQ)
7. Star Media Hub, Shah Alam
8. Klang
9. Putrajaya
10. Seremban
11. Melaka
12. Muar
13. Johor Bahru
14. Kuantan
15. Kuala Terengganu
16. Kota Bharu

## SABAH & SARAWAK

17. Kuching
18. Sibul
19. Miri
20. Kota Kinabalu



## OVERSEAS OFFICES

21. Beijing
22. Singapore



Star Publications (Malaysia) Berhad (10894-D)



## CORPORATE HEADQUARTERS:

**MENARA STAR:**  
15, Jalan 16/11, 46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Tel : 03-7967 1388 (General Line)  
03-7966 8388 (Advertising)  
03-7967 2020 (Metro Classified Run-Ons)  
Fax : 03-7955 4039 (Editorial)  
03-7955 3355 (Advertising)  
03-7957 7496 (Classified Run-Ons)  
03-7957 7641 (Marketing Services)

E-mail : msd@thestar.com.my  
The Star Online : thestar.com.my  
Star e-paper : http://epaper.thestar.com.my

**STAR MEDIA HUB:**  
Lot 2, Jalan Astaka U8/88  
Section U8, Bukit Jelutong  
40150 Shah Alam  
Selangor Darul Ehsan  
Tel : 03-7967 1388  
Fax : 03-7845 4644

**STAR NORTHERN HUB:**  
202, Jalan Sultan Azlan Shah  
11900 Bayan Lepas  
Pulau Pinang  
Tel : 04-647 3388  
Fax : 04-647 3371/647 3335



# Corporate Directory

## PENINSULAR MALAYSIA

### ALOR SETAR

936, 1st Floor, Jalan Sultan Badlishah  
05000 Alor Setar, Kedah Darul Aman  
Tel : 04-731 1864/731 0855  
Fax : 04-733 8767

### PRAI

2, 1st Floor, Jalan Kikik  
Taman Inderawasih  
13600 Prai, Pulau Pinang  
Tel : 04-398 8316/398 8318  
Fax : 04-398 8546

### IPOH

39, Jalan Hussein, 30250 Ipoh  
Perak Darul Ridzuan  
Tel : 05-253 9269/253 0402/243 5611  
Fax : 05-253 9669

### KUALA LUMPUR

Ground & First Floor  
No:17, Lorong Ma'arof, Bangsar  
59000 Kuala Lumpur  
Tel : 03-2284 2920  
Fax : 03-2284 1712

### PETALING JAYA (Studio V)

G362, Ground Floor  
1 Utama Shopping Centre  
Bandar Utama, 47800 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7727 5634  
Fax : 03-7727 5608

### KLANG

35, Lebuhr Tapah  
Bandar Klang  
41400 Klang, Selangor Darul Ehsan  
Tel : 03-3344 8978/3344 0746  
Fax : 03-3344 4423

### PUTRAJAYA

T.01-06, Jalan P9 E/1  
Precinct 9, 62250 W.P. Putrajaya  
Tel : 03-8889 5512/8889 5513  
Fax : 03-8889 5516

### SEREMBAN

49, Jalan Yam Tuan, 70000 Seremban  
Negeri Sembilan Darul Khusus  
Tel : 06-762 6984/761 2992  
Fax : 06-761 2577

### MELAKA

4A, 1st Floor, Jalan Hang Tuah  
75300 Melaka  
Tel : 06-282 1909/283 6405  
Fax : 06-283 5352

### MUAR

261, Kampung Temiang, Jalan Salleh  
84070 Muar, Johor Darul Ta'zim  
Tel : 06-952 9601  
Fax : 06-952 9601

### JOHOR BAHRU

65 & 65A, Jalan Maju  
Taman Maju Jaya  
80300 Johor Bahru, Johor Darul Ta'zim  
Tel : 07-331 5666  
Fax : 07-333 2435

### KUANTAN

14, 1st Floor, Jalan Tun Ismail  
25000 Kuantan, Pahang Darul Makmur  
Tel : 09-513 1323  
Fax : 09-514 6276

### KUALA TERENGGANU

Public Bank Building  
1, 1st Floor, Jalan Batas Baru  
20300 Kuala Terengganu  
Terengganu Darul Iman  
Tel : 09-622 3280  
Fax : 09-623 0025

### KOTA BHARU

No. 2864-A, 1st Floor  
Jalan Sultanah Zainab  
15000 Kota Bharu, Kelantan Darul Naim  
Tel : 09-747 8500  
Fax : 09-747 8600

## SABAH & SARAWAK

### KUCHING

4<sup>th</sup> & Mezzanine Floors  
Block E, Queen's Court  
93350 Kuching, Sarawak  
Tel : 082-457 888  
Fax : 082-458 078

### KOTA KINABALU

Lot 9, First Floor, Block B  
Lintas Square, Jalan Lintas Luyang  
88300 Kota Kinabalu, Sabah  
Tel : 088-233 380/234 380  
Fax : 088-237 380

### MIRI

Lot 2597, Wisma United Borneo Press  
Jalan Piasau, 98000 Miri, Sarawak  
Tel : 085-664 924  
Fax : 085-664 924

### SIBU

Lot 53774, Jalan Pangkalan Feri  
Upper Lanang  
9600 Sibu, Sarawak  
Tel : 084-217 436  
Fax : 084-217 436

## OVERSEAS OFFICES

### BEIJING

No. A4103, Soho Xian Dai Cheng  
88, Jianguo Road  
Chaoyang District  
Beijing 100022  
Tel : 86-10-858 03711  
Fax : 86-10-858 03711

### SINGAPORE

Star Publications (Singapore) Pte Ltd  
100, Beach Street  
Shaw Towers #22-11/12  
Singapore 189702  
Tel : 02-6292 6350/6292 7585  
Fax : 02-6297 2474





CDS ACCOUNT NO. OF AUTHORISED NOMINEE

STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)  
(Incorporated in Malaysia)

## PROXY FORM

I/We \_\_\_\_\_  
(name of shareholder as per NRIC, in capital letters)

IC No./ID No./Company No. \_\_\_\_\_  
(new) (old)

of \_\_\_\_\_  
(full address)

being a member(s) of **STAR PUBLICATIONS (MALAYSIA) BERHAD**, hereby appoint \_\_\_\_\_  
(name of proxy as per NRIC, in capital letters)

IC No. \_\_\_\_\_  
(new) (old)

or failing him/her \_\_\_\_\_  
(name of proxy per NRIC, in capital letters)

IC No. \_\_\_\_\_  
(new) (old)

failing him / her the Chairman of the Meeting as my / our proxy to vote for me / us on my / our behalf at the 38th Annual General Meeting of the Company to be held on 24 May 2010 at 10.00 am and at any adjournment thereof.

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

| NO | RESOLUTION  |               | FOR | AGAINST |
|----|---|---------------|-----|---------|
| 1  | To receive and adopt the Directors' Report and Audited Financial Statements   | Resolution 1  |     |         |
| 2  | To re-elect the following Directors who retire pursuant to Article 117 of the Company's Articles of Association:<br>a) Tan Sri Dato' Dr. Sak Cheng Lum<br>b) Mr Ng Beng Lye | Resolution 2  |     |         |
|    |   | Resolution 3  |     |         |
| 3  | To re-elect Mr Tan Foong Luen who retires pursuant to Article 101 of the Company's Articles of Association  | Resolution 4  |     |         |
| 4  | To re-elect Datuk Seri Wong Chun Wai who retires pursuant to Article 101 of the Company's Articles of Association   | Resolution 5  |     |         |
| 5  | To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim who is retiring pursuant to Section 129(6) of the Companies Act, 1965   | Resolution 6  |     |         |
| 6  | To re-appoint Dato' Wira Syed Abdul Jabbar bin Syed Hassan who is retiring pursuant to Section 129(6) of the Companies Act, 1965  | Resolution 7  |     |         |
| 7  | To approve payment of Director' fees  | Resolution 8  |     |         |
| 8  | To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration  | Resolution 9  |     |         |
| 9  | To issue shares pursuant to Section 132D of the Companies Act, 1965   | Resolution 10 |     |         |
| 10 | Renewal of Authority for Proposed Share Buy-Back  | Resolution 11 |     |         |

\_\_\_\_\_  
Signature / Common Seal

Number of shares held: \_\_\_\_\_

Date: \_\_\_\_\_

### Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- In the case of a corporation, the instrument appointing the proxy must be under its Common Seal or under the hand of its Attorney.
- This Proxy Form, to be valid, must be lodged at the Registered Office of the Company at Level 15, Menara Star, 15 Jalan 16/11, Section 16, 46350 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting.

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STAMP

Company Secretary  
**STAR PUBLICATIONS (MALAYSIA) BERHAD** (10894-D)  
Level 15, Menara Star  
15, Jalan 16/11, Section 16  
46350 Petaling Jaya, Selangor Darul Ehsan



Corporate Head Office

**Star Publications (Malaysia) Berhad** (10894-D)

Menara Star, 15, Jalan 16/11, Section 16, 46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia.

Tel : 603 7967 1388 Fax : 603 7954 6752

#### Star media group

##### Newspaper



##### Online



##### Radio



##### Magazines



##### Outdoor Broadcast Studio



##### Subsidiaries

