

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY-NINTH 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 THURSDAY, 26 MAY 2011 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 2010 together with the Auditors' Report thereon | <u>Resolution 1</u> |
| 2. To re-elect Datin Linda Ngiam Pick Ngoh who retires by rotation pursuant to Article 117 of the Company's Articles of Association | <u>Resolution 2</u> |
| 3. To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association:

i) Mr Kuah Hun Liang
ii) Datuk Vincent Lee Fook Long
iii) Mr Lee Siang Korn @ Lee Siang Chin
iv) Dato' Yip Kum Fook
v) Mr Ho Kay Tat | <u>Please refer
to Note iv
Resolution 3
Resolution 4
Resolution 5
Resolution 6</u> |
| 4. To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim, who is retiring pursuant to Section 129(6) of the Companies Act, 1965 | <u>Resolution 7</u> |
| 5. To re-appoint Dato' Wira Syed Abdul Jabbar bin Syed Hassan, who is retiring pursuant to Section 129(6) of the Companies Act, 1965 | <u>Resolution 8</u> |
| 6. To approve Directors' fees of up to RM535,000 for the year ended 31 December 2010 | <u>Resolution 9</u> |
| 7. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration | <u>Resolution 10</u> |

SPECIAL BUSINESS

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

8. 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 11

9. 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, Main Market 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 Main Market Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

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 12

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

BY ORDER OF THE BOARD

ONG WEI LYMN (MAICSA 0826394)
Company Secretary

29 April 2011

NOTES

- i 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.
- ii In the case of a corporation, the instrument appointing the proxy must be under its Common Seal or under the hand of its Attorney.
- iii 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.
- iv Mr Kuah Hun Liang who retires pursuant to Article 101 of the Articles of Association of the Company, had indicated to the Company that he does not wish to seek re-election at the Thirty-ninth Annual General Meeting of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution No. 11

The Company had, during its Thirty-eighth Annual General Meeting ("AGM") held on 24 May 2010, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965 (the "Act"). The Company did not issue any shares pursuant to this mandate obtained.

This Ordinary Resolution No. 11 proposed under item 8 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

Resolution No. 12

The explanatory notes on Resolution No. 12 are set out in the Statement to Shareholders dated 29 April 2011 accompanying the Company's Annual Report for year 2010.

FINANCIAL YEAR 1 January 2010 to 31 December 2010

ANNOUNCEMENT OF 2010 PRELIMINARY RESULTS

First quarter	announced	24 May 2010
Second quarter	announced	17 August 2010
Third quarter	announced	11 November 2010
Fourth quarter	announced	23 February 2011

DIVIDEND

First Interim and Special	declared on entitlement date paid on	17 August 2010 30 September 2010 18 October 2010
Special	declared on entitlement date paid on	12 October 2010 10 November 2010 30 November 2010
Second Interim and Special	declared on entitlement date paid on	23 February 2011 31 March 2011 19 April 2011

ISSUE OF 2010 ANNUAL REPORT

29 APRIL 2011

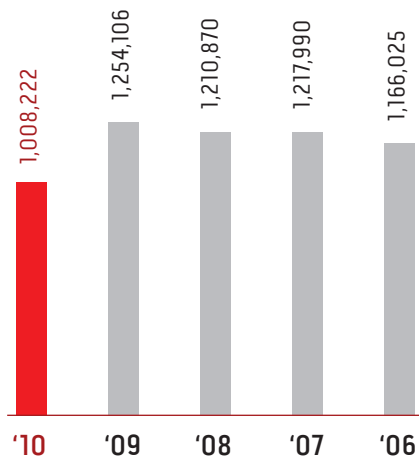
ANNUAL GENERAL MEETING

26 MAY 2011

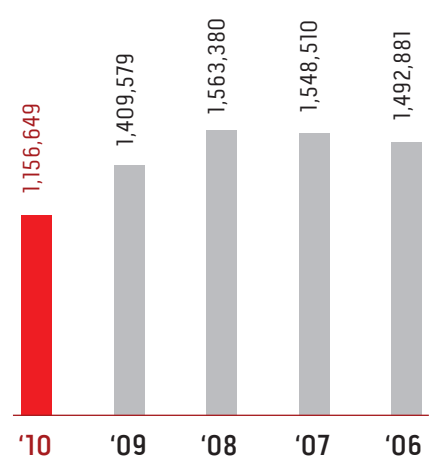
GROUP'S FIVE-YEAR SUMMARY

	2006 RM'000	2007 RM'000	As at 31 December		2010 RM'000
	2008 RM'000	2009 RM'000			
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
Fixed assets	713,152	680,206	656,681	642,880	596,293
Other assets	30,820	25,771	73,559	130,011	120,955
Non current assets held for sale	-	-	-	-	24,120
Net current assets	748,909	842,533	833,140	636,688	415,281
	1,492,881	1,548,510	1,563,380	1,409,579	1,156,649
Share capital	738,564	738,564	738,564	738,564	738,564
Treasury shares	-	-	-	(225)	(225)
Share option reserve	-	-	-	149	536
Available-for-sale-reserve	-	-	-	-	100
Foreign exchange fluctuation reserve	14,211	18,505	(1,226)	24,771	20,721
Retained earnings	413,250	460,921	473,532	490,847	248,526
Shareholders' funds	1,166,025	1,217,990	1,210,870	1,254,106	1,008,222
Minority interest	-	1,066	23,117	28,778	27,335
Long term and deferred liabilities	326,856	329,454	329,393	126,695	121,092
Total funds employed	1,492,881	1,548,510	1,563,380	1,409,579	1,156,649
	2006 RM'000	2007 RM'000	Year ended 31 December		2010 RM'000
	2008 RM'000	2009 RM'000			
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
Revenue	723,564	805,865	831,040	973,921	1,061,700
Profit before tax	195,215	223,366	201,463	197,155	258,807
Tax expense	(34,128)	(54,485)	(62,762)	(47,522)	(68,639)
Profit after tax	161,087	168,881	138,701	149,633	190,168
Minority interest	-	284	204	(4,922)	(5,227)
Profit after tax attributable to shareholders	161,087	169,165	138,905	144,711	184,941
Dividends	(116,693)	(121,494)	(126,294)	(127,396)	(427,403)
Retained earnings for the year	44,394	47,671	12,611	17,315	(242,462)

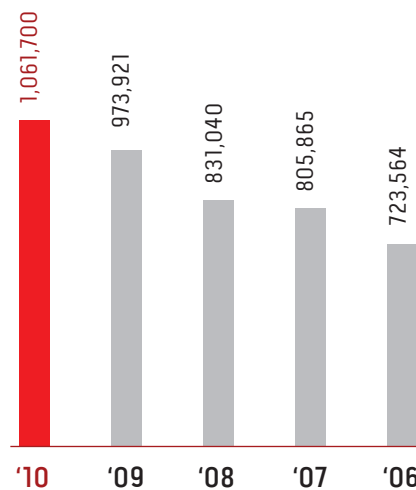
GROUP'S FIVE-YEAR SUMMARY
(Cont'd)



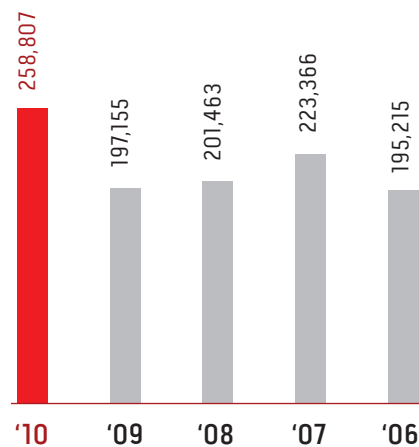
SHAREHOLDERS' FUND
(RM'000)



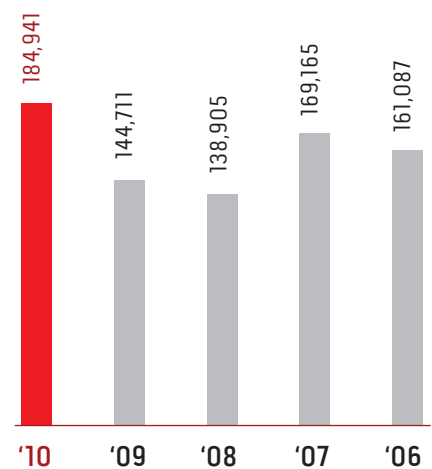
TOTAL FUNDS EMPLOYED
(RM'000)



REVENUE
(RM'000)



PROFIT BEFORE TAX
(RM'000)



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

GROUP'S FINANCIAL HIGHLIGHTS

As at 31 December

		2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Revenue		723,564	805,865	831,040	973,921	1,061,700
Profit before tax		195,215	223,366	201,463	197,155	258,807
Profit after tax attributable to shareholders		161,087	169,165	138,905	144,711	184,941
Paid-up capital		738,564	738,564	738,564	738,564	738,564
Shareholders' funds		1,166,025	1,217,990	1,210,870	1,254,106	1,008,222
FINANCIAL RATIOS						
Revenue growth	%	1.4	11.4	3.1	17.2	9.0
Net earnings per share #	sen	21.81	22.90	18.81	19.59	25.04
Return on shareholders' funds	%	13.8	13.9	11.5	11.5	18.3
Dividend per share - Gross	sen	20.0	20.5	21.0	21.0	73.6
Net assets per share ^	RM	1.58	1.65	1.64	1.70	1.37

Computed based on adjusted weighted average number of ordinary shares.

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

CONSOLIDATED CASH FLOW SUMMARY

	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Cash Flows from Operating Activities					
Net Cash from Operating Activities *	180,173	230,428	159,045	337,515	101,297
Cash Flows from Investing Activities					
Net Cash from/(used in) Investing Activities *	53,781	33,269	(73,994)	(69,753)	(17,315)
Cash Flows from Financing Activities					
Net Cash used in Financing Activities *	(127,031)	(134,094)	(104,189)	(140,743)	(638,732)
Cash and Cash Equivalents as at beginning of financial year	416,346	523,699	658,076	621,556	773,229
Effect of Change in Exchange Rates	430	4,774	(17,382)	24,654	(1,791)
Cash and Cash Equivalents as at end of financial year	523,699	658,076	621,556	773,229	216,688
Cash and Cash Equivalents comprise the following:-					
Cash and Bank Balances	34,060	34,836	55,409	101,145	86,226
Short Term Deposits	489,639	623,240	566,147	672,084	130,462
	523,699	658,076	621,556	773,229	216,688

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



CORPORATE



INFORMATION

BOARD OF DIRECTORS

Kuah Hun Liang, Independent Non-Executive Director & Chairman

Datuk Vincent Lee Fook Long, Executive Deputy Chairman

Datin Linda Ngiam Pick Ngoh, Group Managing Director & Chief Executive Officer

Ho Kay Tat, Executive Director & Chief Operating Officer

Datuk Seri Wong Chun Wai, Executive Director & Group Chief Editor

Tan Sri Datuk Seri Kamal Mohamed Hashim, Executive Director

Foo San Kan, Senior Independent Non-Executive Director

Dato' Wira Syed Abdul Jabbar bin Syed Hassan, Independent Non-Executive Director

Dato' Dr Mohd Aminuddin bin Mohd Rouse, Independent Non-Executive Director

Lee Siang Chin, Independent Non-Executive Director

Dato' Yip Kum Fook, Independent Non-Executive Director

AUDIT COMMITTEE

Foo San Kan *

(Chairman)

Dato' Wira Syed Abdul Jabbar bin Syed Hassan *

(Member)

Dato' Yip Kum Fook *

(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

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel: 03-2264 3883

Fax: 03-2282 1886

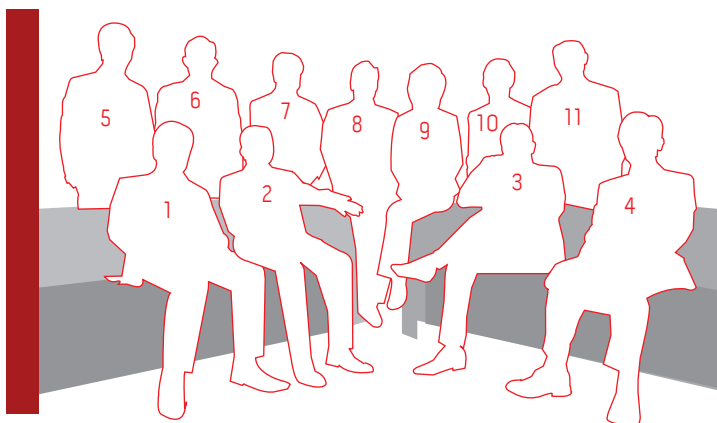
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

BOARD of DIRECTORS

1. Datuk Seri Wong Chun Wai, Executive Director & Group Chief Editor
2. Kuah Hun Liang, Independent Non-Executive Director & Chairman
3. Datuk Vincent Lee Fook Long, Executive Deputy Chairman
4. Ho Kay Tat, Executive Director & Chief Operating Officer
5. Dato' Yip Kum Fook, Independent Non-Executive Director
6. Dato' Wira Syed Abdul Jabbar bin Syed Hassan,
Independent Non-Executive Director
7. Foo San Kan, Senior Independent Non-Executive Director
8. Tan Sri Datuk Seri Kamal Mohamed Hashim, Executive Director
9. Datin Linda Ngiam Pick Ngoh, Group Managing Director & Chief Executive Officer
10. Lee Siang Chin, Independent Non-Executive Director
11. Dato' Dr Mohd Aminuddin bin Mohd Rouse, Independent Non-Executive Director



BOARD OF DIRECTORS



MR KUAH HUN LIANG

49 YEARS OF AGE, MALAYSIAN
INDEPENDENT NON-EXECUTIVE
DIRECTOR & CHAIRMAN

Mr Kuah holds a Bachelor of Science (Hons.) degree in Applied Economics from the University of East London and has more than 27 years experience in the financial markets. Mr Kuah started his banking career in Public Bank Berhad in 1983. He joined Deutsche Bank AG in 1989 where he served as a Treasurer and was later promoted to Head of Global Markets in 1995 where he gained extensive experience in the field of trading and sales, as well as debt and equity capital markets. In 2000, he was appointed as an Executive Director of Deutsche Bank (M) Berhad and promoted to Chief Executive Officer in 2002 where he held the position until September 2006. Mr Kuah also held the position of Treasurer and Director of the Malaysian-German Chamber of Commerce.

Mr Kuah was appointed as a Non-Executive Director and Chairman of The Star on 24 May 2010. He is also Chairman of the Remuneration Committee.

Mr Kuah currently sits on the boards of Rexit Berhad, Alliance Investment Bank Bhd and UBG Bhd.

He attended all four (4) Board Meetings held during the financial year ended 31 December 2010 after his appointment on 24 May 2010.

Mr Kuah 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 ten (10) years.

BOARD OF DIRECTORS

(Cont'd)



DATUK VINCENT LEE FOOK LONG

57 YEARS OF AGE, MALAYSIAN
EXECUTIVE DEPUTY CHAIRMAN

Datuk Vincent Lee was appointed a Non-Independent Non-Executive Director of The Star on 24 May 2010 and redesignated to Executive Deputy Chairman on 3 January 2011. He is also the Chairman of the Finance Committee.

Datuk Lee holds a degree in Mass Communications from the Institute of Marketing, London.

Datuk Lee also sits on the boards of MNC Wireless Bhd and SHH Resources Holdings Bhd. He is the Group Executive Chairman of Foetus International Sdn Bhd and sits on the board of several integrated advertising related companies and was the President of the Association of Advertising Agents Malaysia (4As).

He attended all four (4) Board Meetings held during the financial year ended 31 December 2010 after his appointment on 24 May 2010.

Datuk Lee 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 ten (10) years.



DATIN LINDA NGIAM PICK NGOH

55 YEARS OF AGE, MALAYSIAN
GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Datin Linda 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 The Star in 2005. Prior to this, she was General Manager, Advertising & Business Development (1985 – 2003). She is also a member of the Finance Committee.

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 Circulations (ABC) Malaysia and Chairman of the Audit Bureau of Circulations (ABC) Content & Communications Committee and is currently the honorary secretary of the Malaysian Newspaper Publishers Association (MNPA) and board member of the Advertising Standard Authority Malaysia (ASA).

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

She attended all seven (7) Board Meetings held during the financial year ended 31 December 2010.

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 ten (10) years.

BOARD OF DIRECTORS

(Cont'd)



MR HO KAY TAT

52 YEARS OF AGE, MALAYSIAN
EXECUTIVE DIRECTOR & CHIEF OPERATING OFFICER

Mr Ho was appointed as an Executive Director of The Star on 3 January 2011. He is also a member of the Finance Committee.

He holds a Bachelor of Social Science (Hons.) degree majoring in political science from Universiti Sains Malaysia. Mr Ho has been in the field of journalism and the media industry for the past 26 years working for several newspapers including the New Straits Times, The Malay Mail, Reuters Wire Services, The Business Times Singapore, The Sun, The Edge and The Edge Financial Daily. His previous appointments include being Executive Director of Nexnews Berhad.

He joined Star Publications (Malaysia) Berhad as Chief Operating Officer in July 2010.

Currently, Mr Ho is also a Director of Cityneon Holdings Ltd, Singapore.

He attended four (4) Board Meetings as Chief Operating Officer held during the financial year ended 31 December 2010 as his appointment to the Board was only effected on 3 January 2011.

Mr Ho 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 ten (10) years.



TAN SRI DATUK SERI KAMAL MOHAMED HASHIM

72 YEARS OF AGE, MALAYSIAN
EXECUTIVE DIRECTOR

Tan Sri Datuk Seri Kamal Hashim was a businessman prior to his appointment as Executive Director of The Star. He was appointed to the Board on 26 May 1973. Prior to his position as Executive Director in The 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 was Chairman of Crime Prevention Foundation of Penang. He was Chairman of the Penang Association of Justice of Peace from 1993 to 2001. He was Chairman of the Penang General Hospital's Board of Visitors for about ten years. He is trustee of Star Foundation and Yayasan Budi Penyayang Malaysia (Penyayang), Penang Swimming Club and Advisor of Crime Prevention Foundation Penang Chapter.

He is the Deputy Chairman of Unimech Group Berhad, Honorary Chairman of Henry Butcher Malaysian Ventures Sdn Bhd and Chairman of Henry Butcher Asset Auctioneers Sdn Bhd.

He attended six (6) out of the seven (7) Board Meetings held during the financial year ended 31 December 2010.

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 ten (10) years.

BOARD OF DIRECTORS

(Cont'd)



DATUK SERI WONG CHUN WAI

50 YEARS OF AGE, MALAYSIAN

EXECUTIVE DIRECTOR & GROUP CHIEF EDITOR

Datuk Seri Wong was appointed as an Executive Director of The Star on 11 March 2010 and has served the Company for over 26 years. He began his career as a journalist in Penang, subsequently 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 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 attended all five (5) Board Meetings held during the financial year ended 31 December 2010 after his appointment 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 ten (10) years.



DATO' WIRA SYED ABDUL JABBAR BIN SYED HASSAN

71 YEARS OF AGE, MALAYSIAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Wira Syed Abdul Jabbar was appointed as a Non-Executive Director of The 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, director of KAF Discounts Berhad, Chairman of Padi Beras Nasional Berhad, Chairman of Tradewinds Plantations Bhd, Chairman of Tradewinds (M) Bhd and Chairman of Aliran Ihsan Resources Bhd. He is also the 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 six (6) of the seven (7) Board Meetings held during the financial year ended 31 December 2010.

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 ten (10) years.

BOARD OF DIRECTORS

(Cont'd)



DATO' DR MOHD AMINUDDIN BIN MOHD ROUSE

65 YEARS OF AGE, MALAYSIAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Dr Mohd Aminuddin was appointed as a Non-Executive Director of The Star on 23 July 1997. He is also a member of the Finance, Nomination and Remuneration Committees of the Company. He obtained his Bachelor of Science (Hons.) in Biochemistry from the University of Malaya in 1969 and his PhD in Agricultural Chemistry from the University of Adelaide in 1974.

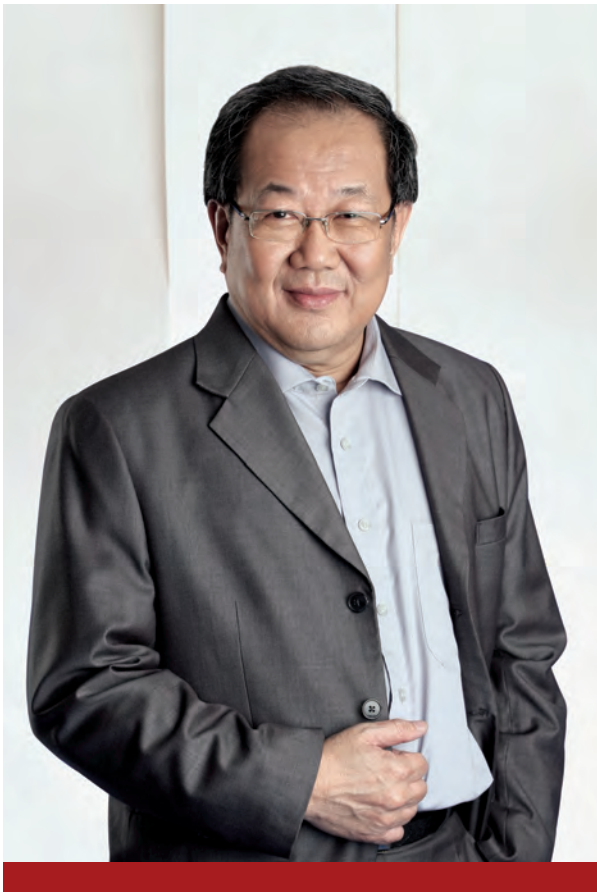
Dato' Dr Mohd Aminuddin began his career as the Head and lecturer at the Department of Biochemistry and Microbiology before becoming the professor of Biochemistry and Deputy Dean at Universiti Pertanian Malaysia in 1977. Prior to joining Berjaya Group Berhad as the Group Director in 1994, he was the Director of Manufacturing and Agribusiness for Guthrie Berhad Group.

He was 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 and was President & Chief Executive Officer of Malaysian Technology Development Corporation Sdn Bhd. 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 seven (7) Board Meetings held during the financial year ended 31 December 2010.

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 ten (10) years.



MR FOO SAN KAN

62 YEARS OF AGE, MALAYSIAN

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Foo was appointed as an Independent Non-Executive Director of The Star and Chairman of the Audit Committee on 22 January 2009. 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.

After qualifying as an accountant in the UK, he joined Ernst & Young, Malaysia ("EY") in 1973 and throughout his tenure there he held various positions in the firm. He has a total of 34 years of experience in the accounting profession and was the EY's Country Managing Partner from 1997 to 2002 before retiring from accounting practice. 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.

Presently, Mr Foo is a board member of Symphony House Berhad, Allianz Malaysia Berhad, OSK Ventures International Berhad, OSK Holdings Berhad, SEG International Berhad and a few unlisted companies within OSK and Allianz Groups.

He attended all seven (7) of the Board Meetings held during the financial year ended 31 December 2010.

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 ten (10) years.

BOARD OF DIRECTORS

(Cont'd)



MR LEE SIANG CHIN

62 YEARS OF AGE, MALAYSIAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Lee was appointed as an Independent Non-Executive Director of The Star on 24 May 2010. He is also a member of the Audit and Nomination Committees.

Mr Lee became a member of the Malaysian Institute of Certified Public Accountants in June 1975 and a Fellow of the Institute of Chartered Accountants in England and Wales in January 1979.

He previously served as Chairman of Surf88.com Sdn Bhd and Managing Director of AmSecurities Sdn Bhd. Mr Lee has also worked in corporate finance in leading investment banks in London, Sydney and Kuala Lumpur. His past appointments include being a board member of the Kuala Lumpur Stock Exchange and President of the Association of Stock Broking Companies in Malaysia.

Mr Lee currently sits on the boards of Value Partners Group Ltd, Hong Kong, AmInvestment Services Bhd, AmFutures Sdn Bhd, Uni. Asia Life Assurance Bhd, AmFraser Securities Pte Ltd and Hilong Holding Ltd. He is a Director of the Social Security Organisation of Malaysia and a member of its investment panel.

He attended all four (4) of the Board Meetings held during the financial year ended 31 December 2010 after his appointment on 24 May 2010.

Mr Lee 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 ten (10) years.



DATO' YIP KUM FOOK

56 YEARS OF AGE, MALAYSIAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Yip was appointed as an Independent Non-Executive Director of The Star on 27 July 2010. He is a member of the Audit Committee and Chairman of the Nomination Committee.

Dato' Yip has been a member of the Malaysian Bar since 1997 and was a Member of Senate, Parliament of Malaysia. He was previously a Director to Pembangunan Sumber Manusia Berhad and PJI Holdings Berhad. Dato' Yip also sits on the board of several private limited companies.

He attended all the three (3) Board Meetings held during the financial year ended 31 December 2010 after his appointment on 27 July 2010.

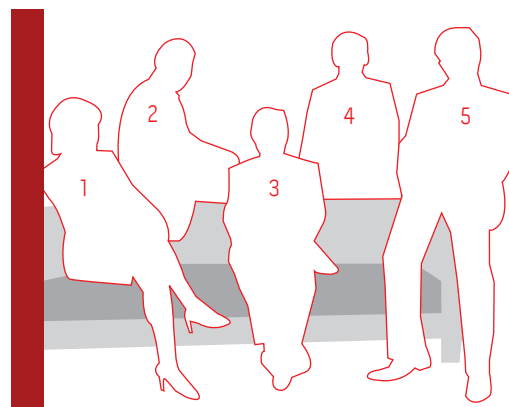
Dato' Yip does not have any family relationship with any director and/or major shareholder of Star Publications (Malaysia) Berhad, nor any conflict of interest in any business arrangement involving the Company. He has had no convictions for any offences within the past ten (10) years.

SENIOR MANAGEMENT TEAM



SENIOR MANAGEMENT

1. Datin Linda Ngiam Pick Ngoh
Group Managing Director & Chief Executive Officer
2. Datuk Vincent Lee Fook Long
Executive Deputy Chairman
3. Tan Sri Datuk Seri Kamal Mohamed Hashim
Executive Director
4. Ho Kay Tat
Executive Director & Chief Operating Officer
5. Datuk Seri Wong Chun Wai
Executive Director & Group Chief Editor



SENIOR MANAGEMENT TEAM

(Cont'd)

EDITORIAL

(from left to right)

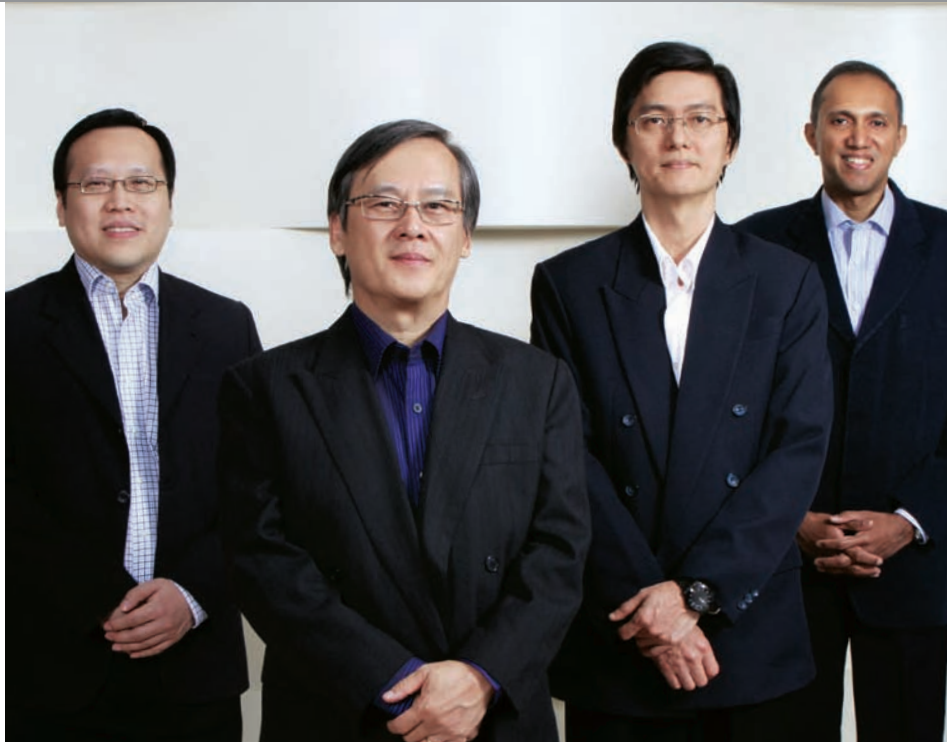
- P. Gunasegaram
Managing Editor
- June Wong Har Leng
Managing Editor
- Datuk Seri Wong Chun Wai
Executive Director/
Group Chief Editor
- Leanne Goh Lee Yen
Deputy Group Chief
Editor II
- David Yeoh Phee Lip
Deputy Group Chief
Editor I



FINANCIAL SERVICES

(from left to right)

- George Chan
Shiang Chiat
Manager, Internal Audit
- Henry Ng
Group Operations Director
- Yeo Eng Siang
General Manager,
Corporate Services
- Ragesh Rajendran
Group Chief Financial
Officer



SENIOR MANAGEMENT TEAM (Cont'd)



BUSINESS DEVELOPMENT

(from left to right)

- Lim Bee Leng
Chief Advertising Officer
- Calvin Kan King Seong
Group Business Director
- Iris Tan Kok Foong
Chief Events Officer
- Jimmy Poey Yee Meng
General Manager,
Circulation



PRE-MEDIA, PRINT & PRODUCTION

(from left to right)

- Tn Hj Mohammad
Hassan
General Manager,
Production
- Khoo Khay Heong
General Manager, IT &
Pre-Media
- Choy Kum Wah
General Manager,
Engineering & Building/
Property Services

SENIOR MANAGEMENT TEAM

(Cont'd)

NEW MEDIA

(from left to right)

- Lim Cheng Hee
Group General Manager,
Marketing (New Media)
- Davin Arul
Vice President (New Media)



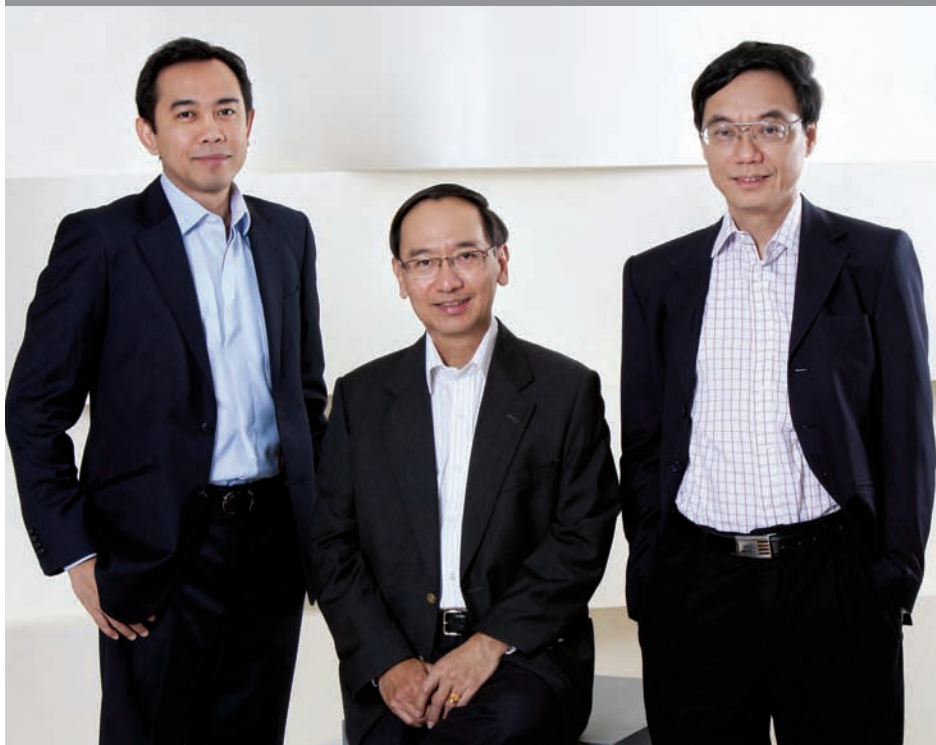
SHARED SERVICES

(from left to right)

- Chung Chok Yin
Regional Manager,
Operations (North)
- Soh Sze Jean
Manager, Legal
- Henry Asokan
Senior Manager,
Human Resources &
Administration
- Ong Wei Lymn
Company Secretary
- Sin Poh Yin
Manager, Security &
Transport



SENIOR MANAGEMENT TEAM (Cont'd)



RADIO/ BROADCASTING

(from left to right)

- Azrullah Mohd Nor
Chief Operating Officer
(RedFM & SuriaFM)
- Tan Chong Kheng
Acting Chief Executive
Officer (98.8)
- Richard Ong Kuee Hwa
Chief Broadcasting
Officer



BUSINESS EXTENSIONS

(from left to right)

- Roshan Thiran
Chief Executive Officer
(Leaderonomics Sdn Bhd)
- Ko Chee Wah
Group Managing Director
(Cityneon Holdings Ltd,
Singapore)

CHAIRMAN'S STATEMENT



KUAH HUN LIANG
CHAIRMAN

ON BEHALF OF THE BOARD OF DIRECTORS OF STAR PUBLICATIONS (MALAYSIA) BERHAD, I AM DELIGHTED TO PRESENT TO YOU THE ANNUAL REPORT AND THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010.

Firstly, I would like to welcome Datuk Vincent Lee Fook Long as Executive Deputy Chairman, Mr Ho Kay Tat as Executive Director & Chief Operating Officer and Independent Non-Executive Directors, Mr Lee Siang Chin and Dato' Yip Kum Fook.

FINANCIAL PERFORMANCE

After an exceptionally challenging year in 2009, 2010 turned out to be a much better year. I am happy to report that Group pre-tax profit for the year ended December 31, 2010 rose 31.3% to RM258.81 million against RM197.16 million in 2009. Group revenue was up 9.0% to RM1,061.70 million from RM973.92 million. The Group's profit after tax amounted to RM190.17 million compared to RM149.63 million in the previous financial year, representing a 27.1% increase.

I would like to thank the management and staff for delivering a creditable set of results.

INDUSTRY TRENDS & DEVELOPMENT

The Malaysian advertising market recorded a total rate card spending of RM7.7 billion in 2010 indicating a growth of 16% compared to 2009, not including Adex from pay TV (Source: Nielsen Media Research). Newspapers continue to command the bulk of the total adspend at 51% and terrestrial TV at 38%.

English newspaper circulation recorded a decline as a whole and The Star and Sunday Star both experienced marginally lower sales. However, we are pleased to say that the Nielsen Media Index showed The Star registering higher readership of 1.01 million and 1.05 million for Sunday Star in 2010.

CHAIRMAN'S STATEMENT

(Cont'd)



BEAUTY QUEEN JANET BENNET READING THE STAR'S INAUGURAL SARAWAK EDITION IN PADUNGAN, KUCHING, NEAR THE FAMOUS CAT STATUE. BENNET IS THE REIGNING MISS FAIR AND LOVELY, A PAGEANT HELD IN CONJUNCTION WITH THE GAWAI DAYAK CELEBRATION EVERY YEAR



CELEBRITIES AT THE LAUNCH OF MINGGUAN MSTAR

OPERATIONS

In 2009/10 we continued to reshape and improve the Group's focus. Accepting the challenge to join the online foray, we intensified our efforts to manage our multimedia platforms to deliver breaking news, information and relevant content to Malaysians anytime and anywhere. Our contents are now available in print, online, mobile, outdoor and on air.

The Star's Bahasa Malaysia weekly Mingguan mStar made its debut in February last year. The weekly, with an initial circulation of 170,000 copies, is distributed in Petaling Jaya, Shah Alam, Kuala Lumpur and Putrajaya. Mingguan mStar is an extension of mStar Online, the Bahasa Malaysia portal set up by The Star in 2005.

The Star's inaugural Sarawak edition was launched in March 2010.

Traffic for the Star Online website has grown to more than 49 million pageviews in the fourth quarter of 2010 with 4.78 million unique visitors. According to internet marketing

research company comScore, Star Online was the most visited local news site, and visitors spent an average of 16 minutes on the site in July, consuming an average 18 pages of content each time.

We were the first local newspaper to have an App available for download on the Apple App Store for iPad users. As at December 2010, nearly 50,000 downloads were recorded and support from advertisers has also been very encouraging.

Radio's growth in 2010 was beyond expectations as 98.8, RedFM and SuriaFM achieved new heights in ratings and revenue. 98.8 attained the 2nd position in the total Radio Ad spending for the year 2010 as reported by Nielsen Media Research.

SuriaFM experienced spectacular listenership growth as it achieved its highest ever ratings with 1.9 million listeners and is the sixth top rating radio station according to the Nielsen Radio Audience Measurement (RAM) survey 2 of 2010. 98.8 became the fastest growing Chinese station with over 1.5 million listeners. RedFM maintained its "Fastest Growing



WINNERS OF REDFM 'MIAMI'S BIEBER FEVER' CONTEST



MARINA RESERVOIR BY CITYNEON FOR SINGAPORE YOUTH OLYMPIC GAMES



INDONESIA'S PAVILION AT 2010 WORLD EXPO IN SHANGHAI BY CITYNEON

Radio Station" among English radio stations in Malaysia claim, with its 5th consecutive increase in the Nielsen radio listenership surveys. All three radio stations introduced celebrity announcers and exciting new breakfast teams in 2010.

2010 also saw groundbreaking promotional activities undertaken by the three radio stations. 98.8 ran a very successful road tour with an innovative "Super Bus" that attracted huge crowds wherever they stopped. SuriaFM enthralled a 30,000-strong crowd in Putrajaya with an "Otai Vs Baru" concert. RedFM kicked off their "International Concerts Flyaways" promotion by sending winners to Justin Bieber's concert in Miami, USA and Rihanna's concert in Sydney, Australia.

Cityneon's contribution to the Group's revenue in 2010 was commendable although profitability could have been better. The subsidiary made an inroad into the sports event infrastructure industry by clinching contracts and successfully delivering them at the World Youth Olympics in Singapore and the Commonwealth Games in India. Cityneon also successfully delivered four National Pavilions at the

World Expo in Shanghai, China. The challenge is to improve margins so that revenue growth is translated into bottom line improvement.

Leaderonomics, a social enterprise with a vision of "inspiring individuals and businesses to leadership greatness" had a tremendous growth story for 2010. Its presence in its core business of providing Corporate Leadership Development services doubled in revenues whilst its social businesses including the youth and community services went on an uphill trajectory with new products, services and partnerships established.

Leaderonomics tripled its client base in 2010 with its long-term Leadership Talent Development Programmes. Leaderonomics continues to be a leader in leadership content development with continuous efforts in R&D, a weekly radio show and investments into multimedia and new media.

CHAIRMAN'S STATEMENT

(Cont'd)



STAR PROPERTY FAIR 2010, KL



THE STAR OUTSTANDING BUSINESS AWARDS (SOBA)
FORUM 2010, PENANG

CORPORATE RESPONSIBILITY

Fostering goodwill, learning and building relationships that transcend race, gender and age are what we continue to practise via our community people-oriented projects. These include The Star Education Fairs in Kuala Lumpur and Penang, The Star Newspaper-In Education (N.I.E.) workshops, the Star Property and Home Fairs in Kuala Lumpur and Penang, Cheer 2010 and our BRATs programmes.

Our collaboration with the Institute of Corporate Responsibility Malaysia brought the StarBiz-ICR Malaysia Corporate Responsibility Awards for the third year running. A CEO forum titled "Climate Change vs. Profits: Striking A Balance" was held at Menara Star in tandem with the CR Awards 2010, which focused on balancing Malaysia's high-income-nation goals and addressing the issue on environment and climate change.

The Star also organised The Star Outstanding Business Awards (SOBA) which was launched by Finance Minister II YB Dato' Seri Haji Ahmad Husni bin Mohamad Hanadzlah. The inaugural award paid tribute to local non-listed companies, as well as small-and-medium enterprises (SMEs).

Not forgetting our roots, we launched the Tunku & The Star exhibit at the Tunku Abdul Rahman Putra Memorial, Kuala Lumpur. The exhibit, which was redesigned and rebuilt in 2010, was constructed in dedication to our first prime minister for his pivotal role as Chairman of The Star in its early growing years, from November 1974 to December 1990.

The Star Education Fund was set up in 1994 for the underprivileged to acquire a higher education. In partnership with 46 local and foreign education institutions, the Fund put together RM13.8 million worth of scholarships which were offered to 398 deserving students last year.

We believe that corporate responsibility is an essential part of good governance and makes sound business sense, as well as crucial for risk and opportunity management. A complete write-up of our corporate responsibility initiatives can be found on pages 68 to 77.

PROSPECTS

The Malaysian Institute of Economic Research ("MIER") reported that the Consumer Sentiment Index ("CSI") has surged to 117.2 in the last quarter of year 2010. Adex also grew by 16% (Source: Nielsen Media Research) in the fourth quarter of 2010. MIER projected a moderate economic growth of 5.2% year on year in 2011.

We are uncompromising in our efforts to be more customer service oriented. We are proactive in our marketing efforts and have always practised prudent cost management. I believe that this would enable us to strengthen our position in the industry as we remain committed to delivering value to our shareholders, readers and advertisers. With all these efforts, the Board of Directors is hopeful of achieving another set of creditable results in 2011.



THE STAR'S iPad EDITION



STAR BIZ-ICR MALAYSIA CEO FORUM, PJ



INFORMATION, COMMUNICATIONS & CULTURE MINISTER DATUK SERI DR RAIS YATIM AT THE 'TUNKU & THE STAR' LAUNCH IN KL

DIVIDENDS

The Board of Directors had on 23 February 2010 declared a single tier second interim dividend of 6.0 sen per ordinary share and a special dividend of 3.0 sen per ordinary share, tax exempt, which were paid on 19 April 2011.

The single tier second interim dividend of 6.0 sen and the special tax exempt dividend of 3.0 sen, together with the first interim dividend of 7.5 sen less tax and special tax exempt dividend of 3.0 sen paid on 18 October 2010 and special dividend of 47.9 sen less tax and special tax exempt dividend of 4.7 sen paid on 30 November 2010, would make a total dividend of 61.4 sen per ordinary share (which consist of 55.4 sen less tax and 6.0 sen under the single tier tax system) and special tax exempt dividend of 10.7 sen, for the year ended 31 December 2010 (2009: total 21.0 sen per ordinary share, 15.0 sen less tax and special tax exempt dividend of 6.0 sen).

Your Directors do not recommend the payment of any final dividend in respect of the financial year ended 31 December 2010.

MOVING FORWARD

Providing news and information remains our core business and the printed copy is our main medium. Over the years we have acquired radio stations and moved into the internet space as well. But more needs to be done. We need to be able to deliver content to as many touch points as possible to connect with consumers. Moving forward, you can expect the Group to both invest in and acquire more media assets – both traditional and new.

APPRECIATION

On behalf of the Board I would like to place on record, the Group's appreciation to Dato' Sri Clement Hii Chii Kok who helmed the Group from January 2009 to December 2010. Our appreciation also goes to Datuk Leong Tang Chong and Tan Sri Datuk Dr Sak Cheng Lum who had served as Directors from 1995 and 2001 respectively until mid 2010. Our thanks also to Ng Beng Lye and Tan Foong Luen who served on the Board from 2009 to mid 2010.

I would also 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 and hard work.

The media business is evolving very quickly and this poses many challenges to us. But I am confident we will continue to do well, if we innovate, be quick to seize new opportunities and nurture new talents to help take us forward.

KUAH HUN LIANG

CHAIRMAN
29 April 2011

MESSAGE FROM THE EXECUTIVE DEPUTY CHAIRMAN



THIS YEAR, THE
STAR CELEBRATES
ITS 40TH YEAR.

SUCH A MILESTONE CAN ONLY
BE ACHIEVED THROUGH THE
STEADFASTNESS AND DEDICATION
OF THE PREVIOUS MANAGEMENT
TEAMS THAT HAVE MADE THE
BRAND SO RESPECTED AND TRULY
DESERVING OF ITS EPITHET
"THE PEOPLE'S PAPER".

DATUK VINCENT LEE
EXECUTIVE DEPUTY CHAIRMAN

As we enter our fifth decade in the business, our role as the voice of Malaysian society has never been clearer.

We need to anticipate, evolve and innovate to continue to be an inspiring force in the Malaysia of tomorrow.

With our business environment transitioning dramatically, and with no foreseeable plateau in sight, it is essential for the Company to consolidate its position by deepening and widening our footprint in Malaysia's media landscape.

As we set our sights on becoming a complete multi media group, our efforts to strengthen our print, online and digital products will run parallel with our forays into TV, radio and outdoor communication businesses.

In doing so, we serve as a source of inspiration to many, touch more lives, and ensure that we remain engaged over the next 40 years and beyond.

My vision is for The Star to be a family of companies that are individually and collectively best-in-class in their respective fields, which is why these ambitious moves will be made in a concerted manner.

In our quest to build a transitional media brand that is bigger, stronger yet flexible and dynamic, the various businesses must be able to compete on a global level.

This will be achieved, and shareholder value optimised, through harnessing new technologies, investing in the right people and acquiring profit-making companies.

Over the last 40 years, The Star has not only become a staple in daily Malaysian life, but has also become a source of endless inspiration.

We have been inspired by stories of successes and failures.

Stories of ordinary people doing extraordinary things.

We have been inspired by stories well told.

As the industry's goal posts continue to change, it is this very spirit of inspiration that will be the driving force in our continued journey.

And with each step of the way, let's not forget to ask ourselves: how are we inspiring our staff, how are we inspiring the way news is reported, how are we inspiring people, and how are we inspiring the nation?

By remaining resolute to our values, we will ensure that our pursuit for growth, our spirit, our brand, and our philosophy remain true.

We will be more than just "The People's Paper".

We will be a company that inspires a dynamic society.

A COMPANY WHOSE CONTENT DRIVES ACTION.

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010

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 (3) 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 on 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.

THE BOARD

The Group is led and controlled by an experienced and effective Board under a Chairman, who is an Independent Non-Executive Director. The roles of the Chairman, Executive Deputy Chairman and Group Managing Director/Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure a balance of power and authority. The Chairman is primarily responsible for orderly conduct and working of the Board whilst the Executive Deputy Chairman and Group Managing Director/Chief Executive

Officer are responsible for the day-to-day running of the business and implementation of Board policies and decisions. The Company currently has a Board of eleven (11) Directors, comprising of five (5) Executive Directors and six (6) Independent Non-Executive Directors whose independence fall 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 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 20 to 25.

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.

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

BOARD MEETINGS

The Board meets at least four (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 investments 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. All pertinent issues discussed at the meetings in arriving at the decisions and conclusions are properly recorded in discharging its duties and responsibilities.

During the financial year, the Board met seven (7) 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.

Attendance of the Directors at the Board Meetings held during the financial year ended 31 December 2010 is as follows:

Name of Director	Meetings Attended
Kuah Hun Liang *	4/4
Datuk Vincent Lee Fook Long *	4/4
Datin Linda Ngiam Pick Ngoh	7/7
Ho Kay Tat ^	4/4
Tan Sri Datuk Seri Kamal Mohamed Hashim	6/7
Datuk Seri Wong Chun Wai *	5/5
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	6/7
Dato' Dr Mohd Aminuddin bin Mohd Rouse	7/7
Foo San Kan	7/7
Lee Siang Chin *	4/4
Dato' Yip Kum Fook #	3/3

* Datuk Seri Wong Chun Wai was appointed a Director on 11 March 2010. He attended all Board Meetings held since his appointment.

* Kuah Hun Liang, Datuk Vincent Lee Fook Long and Lee Siang Chin were appointed Directors on 24 May 2010. They attended all Board Meetings held since their appointment.

* Dato' Yip Kum Fook was appointed a Director on 27 July 2010. He attended all Board Meetings held since his appointment.

^ Ho Kay Tat was appointed Chief Operating Officer on 1 July 2010 and an Executive Director on 3 January 2011. He attended all Board Meetings since his appointment as Chief Operating Officer.

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010 (Cont'd)

RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS

At least one-third (1/3) 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 seventy (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.

DIRECTORS' TRAINING

All Directors 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 2010, the Directors have attended seminars on their own on relevant issues.

With the exception of Kuah Hun Liang, Datuk Vincent Lee Fook Long who did not attend any seminars because of work commitments and Ho Kay Tat who was appointed to the Board in 2011, the following outlines the seminars and training attended by the Directors in 2010:-

Name of Director	Training & Seminars Attended
Datin Linda Ngiam Pick Ngoh	<ul style="list-style-type: none">▪ Goods & Services Tax
Tan Sri Datuk Seri Kamal Mohamed Hashim	<ul style="list-style-type: none">▪ Goods & Services Tax▪ Leading Strategic Change
Datuk Seri Wong Chun Wai	<ul style="list-style-type: none">▪ Goods & Services Tax▪ Mandatory Accreditation Programme For Directors of PLCs
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	<ul style="list-style-type: none">▪ Audit Committee institute Roundtable Discussion Title – Going Forward Risk & Reform – Implications for Audit Committee Oversight▪ Goods & Services Tax▪ Corporate Governance & The Media▪ The MPH Power Packed Seminar – Investment Opportunities For 2010 and Beyond for Asian Companies & Investors▪ Seminar on Recent Tax Cases & Developments▪ Financial Institutions Directors' Education Programme – Developing high Impact Boards (Modules 1 - 4)

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010 (Cont'd)

Name of Director	Training & Seminars Attended
Dato' Dr Mohd Aminuddin bin Mohd Rouse	<ul style="list-style-type: none"> ▪ Recent Changes to Financial Reporting Standards (FRS) ▪ Goods & Services Tax
Foo San Kan	<ul style="list-style-type: none"> ▪ Leadership and The Choice – The Choice that Changes Everything ▪ Risk Management of Derivative – What Directors and Senior Management Should Know ▪ Building Organisational Capability For Strategic Transformation ▪ Banking Insights ▪ Islamic Institution and Governance ▪ Micro Insurance – The main market Opportunity ▪ Board Risk Management Committee For Insurance Companies ▪ Goods & Services Tax ▪ Audit Committee Institute Roundtable Discussion Title – Going Forward Risk & Reform – Implications for Audit Committee Oversight
Lee Siang Chin	<ul style="list-style-type: none"> ▪ Mandatory Accreditation Programme For Directors of PLCs ▪ Chinese Economic Congress – Role of Chinese Community in achieving the NEM and 10 Malaysia Plan Targets ▪ World Capital Markets Symposium – Transforming Capital Markets Leadership, Change & Governance
Dato' Yip Kum Fook	<ul style="list-style-type: none"> ▪ Technical Briefing on Main Market Listing Requirements ▪ High Level Forum For Directors of Listed Issues in Enhancing Corporate Governance

The full Board is updated regularly on regulatory and industry developments during meetings and all Directors are provided with the opportunity to familiarise themselves with the operations and businesses of the Group.

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010 (Cont'd)

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 RM	Non-Executive RM	TOTAL RM
Directors' Fees	-	534,863	534,863
Salaries/Incentives	10,891,859	-	10,891,859
Employers' contribution to EPF	1,442,456	-	1,442,456
Allowances/Committee Allowances	-	448,683	448,683
Benefits-in-kind	485,935	532,623	1,018,558
Total	12,820,250	1,516,169	14,336,419

The numbers 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*		1
RM50,001 to RM100,000*		4
RM150,000 to RM200,000		3
RM250,000 to RM300,000		1
RM300,001 to RM350,000*		1
RM350,001 to RM400,000	1	
RM850,000 to RM900,000*	1	
RM1,400,000 to RM1,450,000	1	
RM3,000,000 to RM3,050,000	1	
RM7,100,000 to RM7,150,000	1	
	5	10

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.

WHISTLEBLOWER POLICY

The Whistleblower Policy was established as the Board believed that the system would strengthen, support good management and, at the same time, demonstrate accountability, good risk management and sound corporate governance practices.

The policy outlines when, how and to whom a concern may be properly raised about the suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to the Internal Audit Manager or Chairman of the Audit Committee, if necessary.

BOARD COMMITTEES

The Board has established four (4) principal Board Committees, to which it has delegated certain responsibilities. They are the Audit Committee, the Nomination Committee, the Remuneration Committee and the Finance Committee. The membership, responsibilities, roles and activities of these Committees are described in greater detail later in this statement.

AUDIT COMMITTEE

The Audit Committee comprises four (4) Non-Executive Directors, all of whom, including the Chairman, are Independent Non-Executive Directors.

The members are:

1. Foo San Kan (Senior Independent Non-Executive Director) – Chairman
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan (Independent Non-Executive Director)
3. Lee Siang Chin (Independent Non-Executive Director)
4. Dato' Yip Kum Fook (Independent Non-Executive Director)

Attendance of Members of the Audit Committee at meetings held during the financial year ended 31 December 2010 is as follows:

Name of Director	Meetings Attended
Foo San Kan	5/5
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	5/5
Lee Siang Chin (Appointed on 1 July 2010)	2/2
Dato' Yip Kum Fook (Appointed on 17 August 2010)	2/2

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 Officer, Executive Director/Chief Operating Officer, Head of Internal Audit, Chief Risk Officer and the Group Chief Financial Officer attend meetings at the invitation of the Audit Committee. The Committee also invites the external auditors for its meetings as and when necessary. However, where deemed appropriate certain matters on the Agenda are discussed in the absence of the Management. 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 15.15 of the Listing Requirements is contained on pages 58 to 62 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010 (Cont'd)

NOMINATION COMMITTEE

The Board's Nomination Committee was chaired by Datuk Vincent Lee Fook Long until his appointment as Executive Deputy Chairman of the Company on 3 January 2011. Dato' Yip Kum Fook has been appointed Nomination Committee Chairman since. The Nomination Committee comprises four (4) Independent Non-Executive Directors, as follows:

1. Dato' Yip Kum Fook (Independent Non-Executive Director) - Chairman
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. Lee Siang Chin (Independent Non-Executive Director)

Attendance of Members of the Nomination Committee at meetings held during the financial year ended 31 December 2010 is as follows:

Name of Director	Meetings Attended
Datuk Vincent Lee Fook Long (Until his appointment as Executive Deputy Chairman)	1/1
Dato' Yip Kum Fook (Appointed on 3 January 2011)	-
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	3/4
Dato' Dr Mohd Aminuddin bin Mohd Rouse	4/4
Lee Siang Chin (Appointed on 26 July 2010)	-

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 four (4) meetings during the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises four (4) Independent Non-Executive Directors and is chaired by Mr Kuah Hun Liang. The Committee's primary responsibility is to recommend to the Board, the remuneration of Directors (Executive and Non-Executive) and staff, 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 are:

1. Kuah Hun Liang (Independent Non-Executive Director) – Chairman
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. 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 four (4) times during the year and amongst other matters, reviewed the Group's remuneration framework and policy.

Attendance of Members of the Remuneration Committee at meetings held during the financial year ended 31 December 2010 is as follows:

Name of Director	Meetings Attended
Kuah Hun Liang (Appointed on 26 July 2010)	2/2
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	4/4
Dato' Dr Mohd Aminuddin bin Mohd Rouse	4/4
Foo San Kan	4/4

FINANCE COMMITTEE

The Finance Committee, chaired by Datuk Vincent Lee Fook Long comprises an Independent Non-Executive Director and three(3) Executive Directors. Its role is to review and examine investment and strategic proposals and thereafter make appropriate recommendations to the Board. The Finance Committee met four (4) times during the financial year.

The members of the Finance Committee are:

1. Datuk Vincent Lee Fook Long (Executive Deputy Chairman) – Chairman
2. Datin Linda Ngiam Pick Ngoh (Group Managing Director/Chief Executive Officer)
3. Dato' Dr Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director)
4. Ho Kay Tat (Executive Director/Chief Operating Officer)

Attendance of Members of the Finance Committee at meetings held during the financial year ended 31 December 2010 is as follows:

Name of Director	Meetings Attended
Datuk Vincent Lee Fook Long (Appointed on 26 July 2010)	4/4
Datin Linda Ngiam Pick Ngoh	4/4
Dato' Dr Mohd Aminuddin bin Mohd Rouse	4/4
Ho Kay Tat (Appointed on 3 January 2011)	-

CORPORATE GOVERNANCE STATEMENT

For The Financial Year Ended 31 December 2010 (Cont'd)

ACCOUNTABILITY AND AUDIT

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, Datuk Vincent Lee Fook Long 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 93 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.

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 judgments 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.

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 and a summary of its activities, together with the state of the Group's internal control, are given in the Statement on Internal Control as set out in pages 56 to 57 of the Annual Report.

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 RM190,167.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedback. 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.

All information made available to Bursa Malaysia Securities Berhad is also immediately available to shareholders and the market on the Company's Investor Relations section of the website: www.starinvestorrelations.com.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 February 2011.

STATEMENT OF INTERNAL CONTROL

For The Financial Year Ended 31 December 2010

INTRODUCTION

Paragraph 15.26(b) of the Main Market 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.

The Board maintains ultimate responsibility over the Group's systems of internal controls it has delegated to the executive management for efficacious implementation. The role of Internal Audit is to provide reasonable assurance that the 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.

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 CONTROLS

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 organization 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 internal and external environment, which affects 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 Group Chief Financial Officer 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 Listing requirements of Bursa Malaysia Securities Berhad. The Committee comprises:-

1. Foo San Kan	Chairman, Senior Independent Non-Executive Director
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan	Independent Non-Executive Director
3. Lee Siang Chin	Independent Non-Executive Director (Appointed on 1 July 2010)
4. Dato' Yip Kum Fook	Independent Non-Executive Director (Appointed on 17 August 2010)
5. Tan Sri Dr Sak Cheng Lum	Independent Non-Executive Director (Resigned on 24 May 2010)

TERMS OF REFERENCE

The terms of reference of the Audit Committee are set out on pages 60 to 62.

MEETINGS

The Committee held five (5) 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, Group Managing Director/Chief Executive Officer, Executive Director/Chief Operating Officer, Head of Internal Audit, Chief Risk Officer and Group Chief Financial Officer 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:-

- 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.
- 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 RM190,167 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, including the department's succession planning and staff composition. 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 its 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 accounting standards set by the MASB-approved International Financial Reporting Standards (IFRS).
- 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, MASB-IFRS 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 procedure for implementation of Whistleblower Policy.
- m) 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. The total costs incurred by the Internal Audit Department for the internal audit function of the Group in 2010 amounted to RM576,490.

AUDIT COMMITTEE REPORT –

TERM OF REFERENCE

The members of the Audit Committee are as follows:-

Foo San Kan * – Chairman
Dato' Wira Syed Abdul Jabbar bin Syed Hassan *
Lee Siang Chin *
Dato' Yip Kum Fook *

(* Independent Non-Executive Director)

1. MEMBERSHIP

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

- a) The Audit Committee must be composed of no fewer than three (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 three (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) fulfills 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 (3) 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 three (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;

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.

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 2010.

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. The Company did not purchase any of its own shares during the financial year ended 31 December 2010.

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 were 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 paid to external auditors for the financial year was RM190,167.



CORPORATE



RESPONSIBILITY

We have a responsibility to the nation to be a good corporate citizen. We believe that it is our fulfilment of these responsibilities in the marketplace, workplace, environment and community that has made us the leading media Company in the country.

The year 2010 proved to be an active and engaging one for the Company as more projects were adopted and workplace enhancements implemented. The Star moved into a more diversified portfolio offering a wider range of print and multimedia options and explored new ways to engage with the community. Striving for best practice in the workplace, marketplace, environment and community has never been more pertinent.

CORPORATE RESPONSIBILITY



STARBIZ - ICRM CORPORATE RESPONSIBILITY AWARDS

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 practises 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 make 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 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 gains versus values.

We have endeavoured to keep the retail price of our publications low especially our magazine for school children, Kuntum, so as to make it affordable to all. 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 the English dailies.



KUNTUM COLOURING COMPETITION



A DAY WITH NATURE

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 any way.

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

Investors Relations

We hold regular meetings with analysts, fund managers and other stakeholders such as the Minority Shareholders Watchdog Group (MSWG) to provide them with timely and meaningful updates on the business operations of the Group.

Our Investor Relations website also allows 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 supplies are sourced from sustainable managed forests and from environmentally responsible mills. The mills are Forest Stewardship Council (FSC) certified/ accredited or equivalent and produce their newsprint from well managed forests or sustainable sources. The FSC is an international body which accredits certification to organisations in order to guarantee the authenticity of their claims. The goal of FSC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests.

CORPORATE RESPONSIBILITY (Cont'd)



LONG SERVICE AWARD RECIPIENTS



WORLD HEALTH AND BREAST CANCER
AWARENESS DAY



INTERNATIONAL YOUTH DAY

WORKPLACE

The Star is committed to investing in its dedicated workforce to create a conducive and productive work environment that encourages mutual respect and loyalty among its staff. This has helped us retain our best talents and maintain our competitive edge in the media industry. We want to be an employer of choice for current and prospective employees.

Promoting Work-Life Balance

The Company organised activities for its employees in conjunction with World Health Day – to raise awareness about health challenges and the pressing need to address them; International Youth Day – to recognise the potential of youth, to celebrate their achievements, and plan for ways to better engage young people to successfully take action in the development of society; World Environment Day – to create awareness of climate change that is becoming more alarming by the day. A

Breast Cancer Workshop was organised to provide information and explain the importance of early detection and treatment of breast cancer. Other activities organised for employees were Women's Day, Mother's Day, Father's Day and World Blood Donor Day amongst others.

The Star Koperasi – a thrift and loan co-operative that was formed in 1985 encourages staff to nurture the saving habit. It celebrated its 25th Anniversary by organising a dinner for members and the theme was 25 Years of Trust.

Employees continue to receive benefits such as medical, retirement plans and more.

Talent Development

Through talent development, we at The Star are able to align strategic training and career opportunities, and also maintain the retention of our valued employees. Employees attended a total of about 168 trainings that

included conferences, seminars and workshops. The Star invested a total of about RM1 million in developing talents. Some of the programmes organised were in relation to sales, customer service, motivation and teambuilding, to name a few.

In August, The Star's own graduate trainee programme was launched. Known as STAR TRACK (The Star Talent Roadmap for Aptitude, Competence and Knowledge), seven trainees were selected to become the pioneer group of this programme. The 9-month long programme combines three elements – departmental rotations, training in management/leadership and live projects. The aim of the programme is to develop and equip fresh graduates with the necessary skills and knowledge to grow in a modern day media organisation. Upon graduating from the programme, the trainees would be offered the opportunity to build their careers in the department of their choice in the organisation.

With regard to succession planning and promoting our talent pool, the



ENVIRONMENT DAY



THE STAR'S 39TH ANNIVERSARY



STAR PUBLICATIONS (M) BHD GMD/CEO DATIN LINDA NGIAM (RIGHT) ACCEPTING THE SILVER AWARD FROM DATUK VINCENT LEE, PRESIDENT OF 4As, AT THE PUTRA BRAND AWARDS 2011 CEREMONY IN PJ

Young Talent segment of HiPo (High Potential) was launched successfully in November. Thirty four (34) employees are currently participating in the Young Talent Programme.

In recognition of employees' continuous commitment, the Company presented long service awards to employees who had been serving loyally for 15 years. Eighty five (85) staff members received tokens and certificates of appreciation at the Company's 39th anniversary celebration last year. Our employees were also amongst the most decorated and continued to win awards including the Health Ministry Media Awards; SAM 100PLUS Awards and MPI Best International Journalism Award, among others. The Star's Managing Editor P. Gunasegaram was one of the winners of the NPC-SCOMI Journalist of the Year award at the inaugural National Press Club-Naza Awards whilst former Star Publications group editor Datuk V.K. Chin won the Lifetime Achievement Award at the same event. The Star's journalist Shahanaaz Habib won the Malaysian Press Institute (MPI) Best International

Journalism Award at the MPI-Petronas Journalism Awards.

The Star won the Silver award under the Media & Entertainment category of the Putra Brand Awards 2010.

Industrial Relations

The 12th Collective Agreement (2009-2012) between the Company and the National Union of Newspaper Workers (NUNW) was signed in August 2010 with a salary adjustment of 13%. The Company adopts an open culture that employs a consultative approach in handling conflicts and resolving work related issues. This is crucial to creating a conducive work environment and to the wellbeing of the Company's human capital.

Health and Safety at Work and Beyond

It has been a busy year for the Occupational Safety and Health (OSH) Committee for several reasons. Firstly,

the newly reorganised Safety & Health Committee had been busy working on new initiatives in making their respective locations safe. To start them on their new duties, the new committee members were required to attend a course on OSH legal requirements. This was also the first time that the Central OSH Inspection team conducted an OSH visit to our newly opened Kuching Office.

Concerted efforts have been directed to establish and document hazard identification, risk assessment and risk controls starting with the Engineering and Production Departments. This exercise is still ongoing and will cover other departments as time goes by.

Star Media Hub and Star Northern Hub OSH committees managed to successfully carry out their annual safety and health campaign for the year. Medical and safety experts were invited to educate the employees on keeping a safe and healthy lifestyle.

CORPORATE RESPONSIBILITY (Cont'd)



WORLD ENVIRONMENT DAY



POWER DOWN MUSIC FESTIVAL



RECYCLING OLD PHONES

ENVIRONMENT

The Star has kept a vigilant eye on the environment to ensure that corporate initiatives, activities and practices are executed with minimal environmental impact, and where possible, are geared towards environmental conservation and preservation.

To that degree, we have exercised several measures among ourselves to help maintain a harmonious balance between nature and human activities. As a whole, Star media group understands the importance, impact and implications its business has on the environment.

Greener and Cleaner

On June 5, also known as World Environment Day, The Star undertook a bold measure to showcase our commitment to 'greening the nation' by printing the newspaper masthead in green.

To further enhance our commitment, the Company launched the Go Green campaign at Menara Star where staff members were educated on adopting six simple measures to reduce the Company's carbon footprint, namely: reducing the usage of air-conditioners to minimise energy consumption, practising car-pooling and going on foot where possible, avoiding the use of plastic containers, conserving water,

recycling and turning off all power switches when not in use. At the grassroots level, The Star co-organised "A Day with Nature" event along with the Penang and Seberang Prai municipal councils as part of the "Cleaner, Greener Penang" campaign. This event saw some 100 children from all over the northern region exploring and learning about their natural surroundings.

As an extension to promote green awareness, The Star, along with RedFM and SuriaFM, organised the Power Down Music Fest during the Eco Film Fest 2010 aimed at conserving power. This festival was organised by the Environmental NGO Ecomights, with The Star as a media partner.

On February 28, the first edition of The Star's Bahasa Malaysia weekly, Mingguan mStar made its debut. The weekly, published on Sundays is printed on high-grade wood-free paper in our humble move to promote the usage of paper without harming the environment.

When Tech Meets Nature

To encourage the act of recycling, The Star joined forces with 5,000 Nokia care centres in 85 countries worldwide to enable the public to recycle their old phones. Two of Star's offices in Penang, Bayan Lepas and Georgetown were designated as official drop-off points.



THE STAR EDUCATION FAIR 2010



STAR-NiE'S HIGH TEA FOR TEACHERS



MIGHTY MINDS COMPETITION

COMMUNITY

As the nation's English daily, The Star believes in nurturing readers and the community by committing to projects that benefit society at all levels. We have developed a strong relationship with our readers through long-term efforts in creating opportunities, projects, activities, partnerships, and collaborations with various organisations, government as well as non-government agencies, all with the aim of improving the people's quality of life.

Open The Door To Knowledge and Education

The Star has always been aware of the importance of education and continues its commitment to support and be involved in educational projects.

The Star Education Fair 2010 entered the year with a total of 161 exhibitors taking up 510 booths. This year's two-day affair, offering education options

all under one-roof, was the biggest since its inception 23 years ago. The Fair received over 50,000 visitors.

Forty six (46) local and foreign institutions of higher learning pledged 398 scholarship awards totaling RM13.8 million to The Star Education Fund which aims to help deserving candidates pursue their tertiary education.

In conjunction with The Star Newspaper-in Education (NiE)'s new look, Star-NiE workshops were organised in different towns throughout the country to encourage teachers and students to use the newspaper in the classroom. They were attended by a total of 1,000 teachers and nearly 18,000 students. Elements of grammar and literature were added to cater to a wider range of students' language abilities. The Star Mag.Inc. competition for secondary school students attracted 40,000 entries from 122,000 students from 428 schools. On top of that, for the 13th year running, Star-NiE and its

partner Pizza Hut also acknowledged the importance of educators for their special and significant role towards education by treating more than 500 teachers to high tea at hotels in four different locations.

The Star-RHB Mighty Minds Competition organised for the second year as part of our efforts to promote our Maths and Science pull-outs F123 (for lower secondary students) and F4F5 (for upper secondary students) also received equally overwhelming responses. As many as 5,000 students pitted their analytical, general knowledge, mathematical and scientific as well as innovative skills against each other.

The Star collaborated with McDonald's in the Kuntum Colouring Competition 2010 participated by about 1,300 primary school students. The competition took on a "special" twist when 30 Down-Syndrome, autistic and hearing-impaired children were invited to join the competition in Penang.

CORPORATE RESPONSIBILITY (Cont'd)



FEMMECITY



KIDS FAIR



PUBLIC SPEAKING

Doing Our Bit For Society

As part of our contribution to nation-building, The Star initiated a diverse range of community projects to reach out to our readers and the people.

TechEureka! Open Day was a three-month long campaign targeted at exposing and teaching the public about the information and communication technology (ICT) industry as well as the availability of job opportunities in the industry, specifically in Malaysia's MSC status companies.

The Star touched the hearts of the community by organising The Star People's Voice – You've Got The Power Carnival, a platform for the community to meet with and speak to the local councils and authorities on relevant issues in their neighbourhood.

In 2010, The Star organised the inaugural FemmeCity - Streets Ahead for Women Exhibition in recognition of the increasingly important role of women today. Fashion shows, talks cooking demos, a street bazaar and more were held during the event.

The first-ever Star Kids Fair, visited by over 30,000 parents and kids, was organised as a culmination of all our projects and promotions aimed at developing children into well balanced individuals whom we hope will make a difference in the world. The Fair featured an Exhibition, The Star – Maybank Story Telling Competition, Kuntum-McDonald's Colouring Competition as well as numerous fun-filled and educational activities.

The Star Property Fair organised in Penang and Kuala Lumpur continued to receive good support from property developers, house buyers as well as investors. Both Fairs were attended by as many as 50,000 visitors and recorded sales of over RM50 million.

The Star's five-day inaugural Bridal Fair 'Now and Forever: A Carnival of Love' in Penang coincided with the auspicious date of 10/10/10. It received immense support from the public besides helping to promote Penang as a tourism and honeymoon destination.

The Star ended the year 2010 by launching the new Tunku & The Star exhibit at the Tunku Abdul Rahman

Putra Memorial, Kuala Lumpur, in remembrance of the First Prime Minister of Malaysia and the Prince of our Nation, YAM Tunku Abdul Rahman for his pivotal role in gaining independence for the country and as a great leader.

Reaching Out to Our Youth

In a bid to continue investing in the extraordinary potential of the young people of Malaysia and to empower them to be healthy, productive and engaging citizens, The Star presented The Star-ESU-HSBC Public Speaking Competition 2010.

The competition, in its eighth year, attracted about 300 students to its public speaking workshops conducted in Penang, Kuching and Petaling Jaya. As many as 100 students took part in the Competition. Two best speakers from the Finals were sponsored to participate in the ESU International Public Speaking Competition in London, which was also participated by over 30 countries.

Through R.AGE, our youth pull-out, various events became catalysts of



CHEER



IPOH STARWALK



STAR OUTSTANDING BUSINESS AWARDS
(SOBA)

change to help the younger generation make healthy choices and improve their communities. Cheer 2010, the national annual cheerleading competition brought friends, family members and teachers out in full force to show their support for their teams. The event was aimed at cultivating team spirit, perseverance and a love for healthy activities among the young.

The Star's Galaxie & Youth Carnival was organised in Penang for the first time, featuring a variety of youth-oriented activities. It served as a platform for our youth to showcase their abilities.

The Finishing Line Awaits The One Who Plays The Game Right

As an immense supporter of health and wellbeing, The Star actively participates in and organises events that promote healthy living. The Ipoh Starwalk, a non-competitive walk, attracted a record participation of 12,000 people, the Penang Starwalk nearly 20,000 people and the Seremban Half Marathon about 8,000 runners.

In conjunction with FIFA World Cup 2010, The Star came out with a variety

of special supplements and activities. This included a 16-page South Africa 2010 free daily supplement, Adidas-Star Cup Fever SMS contest, Star Online live results, photo gallery, World Cup blog, Football Everyday Webcast, The Daily Chilli WAG's gallery and World Cup gossip, and StarTwo World Cup Edition in HD glory. The Star also had a Finals Bash after a weekly redemption was held every Saturday during the World Cup season to reward readers.

Building Values & Opportunities

The development of Malaysia's human capital is critical for its future and The Star recognises the need for the active involvement of the commercial sector by delivering projects and events that give practical support to this cause.

The Star Online unveiled the Self-Serve Advertising System which gives small-and-medium enterprises (SMEs) with limited online advertising budget the chance to take control of their online ads. The online tool allows companies to upload their existing ad or create new ones using its easy-to-use functions.

To acknowledge and recognise the significance and contributions of local non-listed companies to the nation's economy, The Star organised the inaugural Star Outstanding Business Awards (SOBA) with a total of nine award categories to showcase the achievements attained by outstanding businesses in the respective areas.

The Star-ICR Malaysia Corporate Responsibility Awards 2010 continued into its third year. Building up to the awards ceremony, a CEO forum entitled Climate Change vs. Profits: Striking A Balance was organised to address the role of Malaysia's high-income-nation goals and their commitment towards environment and climate change.

BEYOND 2010

As a positive global citizen with an enduring commitment to the marketplace, workplace, environment and community, The Star will continue to implement its core values and philosophies through a broad spectrum of socially responsible projects, events and activities in the years to come.



40



YEARS OF
INSPIRATION

A newspaper can never be just a business. Profit and the shaping of public opinion may be its main objectives, but the public expects it to have a moral aspect as well as a material existence. Consequently, the struggle to balance the two is what determines the newspaper's character and influence. The Star is no exception, but its story is more compelling than most because it dared to rise from its humble origins and defied all odds to become Malaysia's leading English-language daily.

40 YEARS OF INSPIRATION BY LILIAN TAN

It all began in Penang on September 9, 1971. The island no longer enjoyed free port status, the state's Gross Domestic Product (GDP) had fallen 12 per cent below the national average, and its unemployment rate hovered at 15 per cent. For most islanders getting up to go to work, just having a job was something to be thankful for.

And then it happened. At 3.00 pm, a ripple of excitement ran through Georgetown. Vendors spilled out of a four-storey shop lot at 62, Weld Quay, holding out copies of the island's bright new daily and calling out to passers-by, "The Star! The Star! Get your first copy of The Star!"

This inaugural issue of the country's first tabloid promised 32 pages of "captivating, entertaining, informative and thought-provoking" reading.

Penangites who compared it to the conservative Straits Echo, the island's other daily, could see that The Star was determined to be everything that its 68-year-old broadsheet competitor was not – upbeat and spunky, filled with human-interest stories and pictures of swimsuit-clad women on Pages 3, 6 and 9.

However, critics and cynics sneered that The Star was just a "mosquito paper" that made an afternoon debut despite an earlier boast that it would be a morning newspaper. How could any respectable daily not offer a foreign news section and sports back page?

The brainchild of former diplomat and veteran journalist, Choong Kok Swee, or KS Choong as he was popularly known, The Star was modelled after the racy UK-based tabloid, The Sun.

In his first editorial, writing as both managing director and editor-in-chief of Star Publications (M) Sdn Bhd, Choong heralded the need for a new, independent newspaper in the north of Peninsular Malaysia that was "fully alive to the needs of the community and well aware of its role as the mouthpiece of the people". He was also optimistic that The Star would appeal to "a new generation of young people with widening horizons, higher intellectual capacity and new needs in consumer goods and leisure."

He was not disappointed. From an initial quantity of only 10,000 copies a day – printed on two sheet-fed rotary web offset machines, and collated and folded by women sitting on the floor – The Star soon surpassed Straits Echo and established itself as the country's fastest growing daily. Within its first three months of publication, its circulation shot up to 15,000 and reached 20,000 after six months.

In 1975, Star Publications moved to its own premises at 15, Jalan Masjid Kapitan Keling when Penang tycoon Loh Boon Siew, who owned the building, 'sold' it to the Company for a substantial stake in the newspaper.

On January 3, 1974, the Company extended its operations to Kuala Lumpur by setting up an office at 6, Jalan Travers in Brickfields and became a national daily with a daily weekday circulation of 25,000 and 32,000 on Sundays. Tunku Abdul Rahman, who had retired as the country's first Prime Minister in 1971, became its Chairman. According to Kamal Mohamed Hashim, the Company's longest serving Director, he had to approach Tunku three times to accept the invitation before he finally said yes.

Its growth notwithstanding, Star Publications had yet to turn a profit. In 1977, the Malaysian Chinese Association (MCA) stepped in to buy a 78 per cent stake in the Company through its investment arm, Huaren Holdings Sdn Bhd. A change of management followed, with H'ng Hung Yong, a Harvard-trained lawyer-turned-journalist, replacing KS Choong as managing director and editor-in-chief. The decision was then made to turn The Star from a Penang-based newspaper into a full-fledged national daily.

Other developments that year included the hiring of senior staff from the then leading national daily, New Straits Times (NST) to fill key editorial positions, the move of the Company's main operations to Brickfields in Kuala Lumpur, and the setting up of bureaus in Perak and Johore. To cap an eventful year, sales of The Star in Penang outstripped that of the 139-year-old NST.

Calling The Star "the people's paper" in the Company newsletter, H'ng resolved "...to bridge the difference between our people, to tear down curtains of ignorance, and to assist our people in recognising their common destiny".

Such idealism was expressed against the backdrop of a nation that was struggling to rebuild itself after the trauma of the 1969 race riots, events that had led to sweeping changes in Malaysia's economic and education policies.

Thus challenged, The Star's editorial team sought to cover stories and raise issues overlooked by the NST, giving a voice to the marginalised.

Editorials were incisive and provocative, and reporters were urged to push their limits, often incurring the wrath and censure of the Home Ministry. Today, The Star's exposés of the Kuantan Port fiasco in 1979 and Bumiputra Malaysia Finance

(BMF) scandal in Hong Kong in 1982 still stand out as exemplary investigative journalism.

Tunku Abdul Rahman's weekly column that debuted in 1974 as Looking Back (renamed As I See It one year later) also contributed to The Star's success. In fact so popular was the column that many believed "Star" was an acronym for "Suara Tunku Abdul Rahman" (Tunku Abdul Rahman's voice).

Another popular columnist of The Star was Dr. Tan Chee Khoo, Malaysia's revered "Mr. Opposition" and three-term Member of Parliament from 1964 to 1978. Tan's column, Without Fear or Favour, which cautioned against extremism and criticised government policies that disadvantaged the poor, served to bolster The Star's populist image and reputation for editorial daring.

In 1980, Star Publications slipped out of the red for the first time with a profit of RM1.2 million. Just as dramatically, The Star's circulation hit 65,000 daily and 81,000 on Sundays in January 1981. One year later, it would break the barrier of 100,000 copies!

In December 1981, Star Publications relocated from Brickfields to Jalan 13/6 in Petaling Jaya. The 106,000-sq-ft new premises sat on 3.1 acres of factory land acquired with the Company's purchase of Papyrus Printing Sdn. Between 1981 and 1983, the Company also invested heavily in the computerisation of its entire pre-press operations, buying a much bigger and faster press to achieve a production capacity to equal that of NST, and hooking up its outstation bureaus to its head office.

Of course, it should be acknowledged that The Star's advance was accelerated by the economic prosperity of the country. Higher household incomes meant that more Malaysians could now afford to subscribe to two newspapers. Higher circulation numbers, with a strong foothold in the more affluent market centres, also made The Star increasingly attractive to advertisers looking for a more cost-effective way to reach their target consumers.

The Star's advertising department was also quick to seize opportunities to gain on the competition. Tactical initiatives included introducing the sale of advertising space for cash up front at a reduced commission, thus easing the financial burden of smaller ad agencies that would otherwise have to secure bank guarantees. In another brilliant manoeuvre, The Star captured a huge share of Malay Mail's classifieds market by offering real estate agents special low advertising rates and free editorial write-ups. The demand for property rentals

also increased when the migration of job seekers from small towns to market centres peaked in the early 1980s, thus benefitting The Star.

Nevertheless, even as it was chalking up one achievement after another, significant political developments were unfolding in Malaysia that would test The Star. In July 1981, Hussein Onn was forced to resign due to failing health and was succeeded by Dr Mahathir Mohamad. The sudden resignation of MCA President Lee San Choon in March 1983 also threw MCA into disarray and the ensuing bitter party infighting over the next 20 months under Acting President Neo Yee Pan and a rival faction led by Tan Koon Swan rocked the party to its very foundation.

H'ng, who had been mentored by Lee, resigned from The Star, and was replaced by Gabriel Lee, Neo Yee Pan's appointee. However, Lee's tenure would be short-lived. By November 1985, the MCA party crisis was over with Tan trouncing Neo for the presidency. Tan himself would leave within a year under a huge cloud of controversy. He was replaced by Dr Ling Liong Sik, but not before selecting Steven Tan Kok Hiang, city editor of Business Times, to be the next managing director of Star Publications.

Subsequently also sanctioned by Ling, Steven Tan would lead the Company to great financial success over the next 22 years, but the start of his tenure was a shaky one, as Operasi Lalang struck in October 1987.

Under Operasi Lalang, 106 individuals – politicians, academics, social activists and religious leaders – were arrested and incarcerated under the oppressive Internal Security Act. The publishing licences of four newspapers – among them, The Star and The Sunday Star – were also revoked. No official reason was ever given for the crackdown, although The Star and The Sunday Star were probably singled out for taking what many perceived to be an adversarial stance against the government.

In any case, it marked the start of a 149-day ordeal for The Star's employees. Many showed up for work although there was little for them to do. Full salaries were paid out to the staff in its first month of closure, with partial payments in the subsequent months. Nevertheless, home mortgages, car loan installments and school fees had to be paid, so many who did not leave for new jobs had to find ways of supplementing their incomes: among them, hawking pizzas, driving taxis, selling used cars, and working in factories. For those employees who were married to other employees at

The Star, the experience was doubly painful. To everyone's relief, following appeals from different quarters (including Tunku, who accused Dr Mahathir of taking the country toward a dictatorship and police state), the Home Ministry eventually relented and gave back to Star its printing licences.

On March 26, 1988, The Star made its reappearance on newsstands. At the request of The Star's circulation department, 50 staff volunteered to stand at key locations in the Klang Valley to sell the newspaper. In less than two hours, 1,115 copies flew off their hands – a clear indication that Malaysians welcomed back The Star, and were ready to reward it in big way.

Steven Tan urged the staff to put their dark days behind them and work hard to put the paper back on track. A year later, the staff – grateful to be back at their jobs – were further incentivised by an ex-gratia payment of two months' salary on top of their contractual two months' bonus that Tan called "a gesture of sincerity on the management's policy of growing together."

Ling, who paid a visit to Star Publications soon after to provide support and encouragement to the staff, had this to say: "Sometimes, to dilute sensitivity, it might be interesting or useful to encourage public debate... for greater understanding, greater tolerance and maybe even acceptance. But sometimes, the sensitivity may be that great that it could be risking a lot if we try to encourage public debate. In these areas, we must exercise wisdom and caution".

The People's Paper now wholeheartedly decided to embrace corporate social responsibility and community building, and wherever possible, partner government institutions and other corporations for optimal results.

In February 1989, The Star organised the first of its many education fairs. In July 1990, it gave Malaysia its first-ever Broadway production by staging *My Fair Lady*, with proceeds going to a charity for underprivileged children. It also invested its considerable resources into campaigns for an assortment of causes – from the promotion of the recycling of aluminium cans and reusable shopping bags to raising awareness on the widespread problem of missing children.

In September 1991, according to the SRM Media Index July 1990–June 1991, The Star overtook NST by 18.9 per cent to become Malaysia's leading English-language daily with a readership of 674,000. Six months prior, its advertising revenue had already reached RM10.2 million, the highest among

the daily presses in Malaysia. Emboldened by the Company's remarkable performance, Steven Tan declared that The Star would be repositioned as a newspaper with different sections to broaden its appeal and offer more value for money.

To this day, The Star has retained this all-in-one winning formula – with its main paper delivering local and international news; StarBiz providing comprehensive business coverage and analysis; StarTwo serving up articles on lifestyle, fashion, entertainment, health, parenting, science, environment, and food; Sport covering the latest national and international sporting events; and StarMetro, reporting on the latest community happenings and issues. The Star has also gained kudos for its myriad special weekly sections: Education, In.Tech, Sunday Plus, and the Star NIE (Newspaper-in-Education), which champions innovative teaching of English in secondary schools.

In June 1995, The Star again made history by becoming the first Malaysian newspaper – and the third in Asia – to launch a World Wide Web edition. When Star Publications made it debut on the Main Board of the Kuala Lumpur Stock Exchange that same year, it commanded a premium of RM1.95 over its offer price of RM3.10 per share.

In 2000, The Star's daily circulation reached 267,241, double that of NST's daily circulation. That same year, Star Publications relocated to the 17-storey Menara Star in Section 16, Petaling Jaya. In 2002, Star Media Hub in Shah Alam with its state-of-the-art printing facility, commenced operations followed by Star Northern Hub in Bayan Lepas, Penang.

Today, an ever-changing media environment continues to present new challenges and opportunities. Hence, despite a market capitalization of about RM2.5 billion, and newspaper and magazine operations that continue to be very profitable, Star Publications has diversified into other media – among them three radio stations, a local enterprise which provides a range of corporate services which include leadership development, talent management and entrepreneurship, and a public-listed exhibition services Company in Singapore.

Moving forward, the Company must steer carefully, but if its first four decades are anything to go by, one has no reason to doubt it will adapt, innovate and reinvent itself to continue its upward trajectory.

(Lilian Tan is researching and writing a book on The Star)



STAR'S FIRST MD



STAR'S FIRST COPY



STAR GOES NATIONAL

FIRST OFFICE AT WELD QUAY



LAUNCH OF STAR ONLINE



STAR RE-OPENS

THROUGH THE DECADES

1971

- Star Publications was founded, with its HQ in Weld Quay, Penang.
- The Star, a provincial tabloid, hit the newsstands for the first time in the north.
- The Star graduated from a regional newspaper to a national daily.

1981

- Star Publications moved its HQ to Brickfields, KL and later to Section 13, Petaling Jaya.
- The Star began publishing a series of magazines – Kuntum, Shang Hai, Galaxie and Flavours.
- The Star's publishing licence was revoked in 1987. It resumed publication after 149 days.

1991

- The Star Online was launched.
- Star Publications was listed on the main board of the Kuala Lumpur Stock Exchange.
- The Star became a member of the Asia News Network (ANN).
- Star Staff in HQ relocated to Menara Star, Section 16, Petaling Jaya.



MENARA STAR



STAR MEDIA HUB



STAR NORTHERN HUB



LAUNCH OF MINGGUAN MSTAR



STAR RFM



STAR LISTING ON KLSE



STAR SARAWAK



iPAD LAUNCH



2001

- 'Star Media Hub' in Shah Alam and 'Star Northern Hub' in Bayan Lepas, Penang began operations.
- The Asian Center for Media Studies Sdn Bhd (ACMS) was established.
- Star Publications acquired Star Rfm Sdn Bhd (Red104.9 and 98.8) and Rimakmur Sdn Bhd (SuriaFM) radio stations.
- The Star e-paper became a reality.
- The Star introduced SMS News Alerts and a Podcasting service for mobile users.
- A Bahasa Malaysia news portal 'mStar Online' was launched.

2011

- ACMS and The Star launched the Global Malaysians Network.
- The Star Mobile News Services and Mobile Portal were launched.
- 'Studio V', Star's multimedia hub at 1 Utama Shopping Centre, PJ was officially opened.
- The Daily Chilli, a portal for the young and hip was launched.
- The Star's Bahasa Malaysia weekly pullout 'Mingguan mStar' made its debut in the Klang Valley.
- The Star Sarawak Edition was launched, and printing of the newspaper began in Kuching.

2011

- The Star's iPad application was launched.
- Star staff in Ipoh move into their new double-storey office in April/May.
- The Star celebrates its 40th anniversary.

SUBSIDIARIES



RADIO – REDFM, 98.8 AND SURIAFM



REDFM



98.8



SURIA FM

The second survey results of 2010 by Nielsen saw **RedFM**, The Star's English radio station, consolidating its position as the fastest growing English radio station in Malaysia. The station's listenership has grown since 2008 and recorded a 35.4% year-on-year growth in 2010.

These encouraging results have spurred **RedFM** to launch lucrative contests with generous giveaways to reward its listeners and reinforce itself as one of the leading entertainment channels in Malaysia. 2010 ended on a high note with the onset of **RedFM**'s All Star series of concerts. Lucky listeners were flown overseas to experience live performances by today's hottest pop artistes, such as Justin Bieber in Miami, Rihanna in Sydney, Taylor Swift in Britain and Lady Gaga in Las Vegas. These concerts heated up the airwaves well into the first quarter of 2011.

The end of 2010 marked changes to **RedFM**'s lineup as the station welcomed exciting, new talents into its fold. Rudy and Jeremy now helm the Breakfast show while Lexie hosts the Eleven 2 Three show. Terry remains as the host of the ever-popular Drive show. The new announcers to join the lineup include Mynn, Linora and Arnold who were unearthed during Rudy's Recruit,

a talent search held in December 2010. These changes ensure the station retains a fresh vibe and reaches out to new listenership without segregating its current listeners.

98.8, a Chinese language infotainment radio station, has over 1.5 million listeners, reaching 42% of the Chinese radio listenership.

Nielsen's Adex report has ranked **98.8** as the top performing radio station since November 2010, a result of the strong fan base which helped the station secure more advertisers. With a record Adex growth of 50% since 2009 as compared to the average radio market's growth of 13%, **98.8** has been tagged as the No. 1 Chinese radio station.

To enhance **98.8**'s image as an authoritative and informative radio station, **98.8**'s Breakfast show recently organised the 'Boss Talk' series where successful business founders and leaders shared their valuable experiences with listeners. Following the success of the series, **98.8** will continue to run the campaign together with other ground events to further boost the station's image as an infotainment station.

The station will also continue its efforts to produce more creative and resourceful solutions for advertisers in the coming years to ensure airtime revenue continues its upward trend.

Nielsen's second sweep radio survey results for 2010 confirmed **SuriaFM** as one of the most exciting radio stations in Malaysia, with year-on-year growth figures showing the highest percentage of increase in listenership for the station as compared to other stations.

SuriaFM successfully organised the 'Konsert Kemuncak **SuriaFM** 2010' held at Dataran Putrajaya on July 24 which drew a crowd of 35,000. The first ever concert by **SuriaFM** in Sabah called 'Concert **SuriaFM** Sabah - Dekat Di Mata Dekat Di Hati' featured 11 artistes from Sabah and Peninsular Malaysia. More than 20,000 people thronged the concert.

Recognising the importance of below-the-line-promotions in gaining ground with listeners and advertisers alike, **SuriaFM** continuously organises projects such as Juz Jumbo, Jom Balik Raya events, Bazaar Ramadhan activities, road tours, open houses, Buka Puasa gatherings, Media Appreciation Nights and many more.

CITYNEON HOLDINGS LIMITED



GRAND MOUNTAIN AT RESORTS WORLD,
SINGAPORE



CNBC LIVE STUDIO



QATAR PAVILION AT THE 2010 WORLD
EXPO IN SHANGHAI

2010 saw **Cityneon** making a foothold for itself in the sports events infrastructure industry, clinching contracts and successfully delivering large scale sporting events like the inaugural Youth Olympic Games in Singapore as well as the Commonwealth Games in India.

As it reached the tail-end and successful closure of large-scale thematic projects in Universal Studios Singapore, **Cityneon** also successfully delivered four National Pavilions in the World Expo in Shanghai – Bahrain, Oman, Qatar and Indonesia – as well as managed to maintain its record revenue achieved in 2009.

Over the last two years, the Group has made strong inroads into the sports events infrastructure business. It has also built up a stock of event infrastructure assets which gives it a competitive edge in bidding for future international sports events. The Group has plans to build on this advantage and grow this business further, both in Singapore as well as the international markets it operates in.

With more than 50 years of experience in the industry, **Cityneon's** talented and passionate individuals deliver solutions worldwide and its expertise in project design, management and delivery ranges across the various industries of events, exhibitions, interior architecture and thematics.

Going forward, while 2011 promises to be a challenging year for the Group, it will continue to explore opportunities and expand its market share. Future plans include proactively pursuing and investing in opportunities in the emerging markets of China and Vietnam to boost and sustain the Group's performance in the coming years. Having successfully delivered six major projects at Universal Studios Singapore, it has trained and nurtured a specialised group of personnel and a pool of expertise capable of delivering large and complex jobs in the Thematics area. The group intends to pursue more opportunities in this area.



THE LEADERONOMICS TEAM

Leaderonomics is a unique social enterprise that funds its community initiatives through revenues generated from corporate services provided to various organisations and individuals. Our expertise is in the field of leadership development, consulting on business strategies and operations and many other talent development initiatives. The funds generated through these services are reinvested back into our community business through our work on youth development, careers, universities and programmes for those in need of leadership development.

Although only officially in operations since 2008, **Leaderonomics** has achieved significant notations in Malaysia. In 2009, **Leaderonomics** was a finalist for the AYA Youth Awards for the Most Youth Friendly Company of the year and was recently awarded among the top 100 Fastest Growing SMEs in Malaysia in 2010. **Leaderonomics** today has become the household name in leadership development and talent acceleration services for numerous corporate organisations. Our leadership team and associates are in high demand as they are the experts in this space.

Staying true to the fundamental vision of Transforming the Nation, DIODE, **Leaderonomics'** brand of leadership camps for youth between the ages of 12–21, has touched many including underprivileged youth and communities across Malaysia. DIODE not only serves as a crucial platform for personal and leadership development for young people but also as an avenue for many corporate organisations to reach out to youth today through their presence and contribution in the DIODE program and leadership camps.



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 2010.

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 RM'000	Company RM'000
Net profit for the financial year	190,168	207,111
Attributable to:		
Owners of the parent	184,941	207,111
Minority interest	5,227	-
	190,168	207,111

DIVIDENDS

Dividends paid and declared since the end of previous financial year 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 RM41,540,255 and RM22,154,802 respectively in respect of the financial year ended 31 December 2009 were paid on 16 April 2010.
- (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 RM41,540,255 and RM22,154,802 respectively in respect of the financial year ended 31 December 2010 were paid on 18 October 2010.
- (c) A special dividend of 47.9 sen per ordinary share, less tax, and a special dividend of 4.7 sen per ordinary share, tax exempt, which amounted to RM265,303,757 and RM34,709,190 respectively in respect of the financial year ended 31 December 2010 were paid on 30 November 2010.

Subsequent to the financial year, on 23 February 2011, the Directors declared a second interim dividend of 6.0 sen per ordinary share, single tier, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM44,309,604 and RM22,154,802 respectively in respect of the financial year ended 31 December 2010. The dividends are payable on 19 April 2011 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2011.

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 issues of new shares or debentures during the financial year.

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.

No share was repurchased from the open market by the Company during the financial year.

DIRECTORS

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

Mr Kuah Hun Liang (appointed on 24 May 2010)
Datuk Vincent Lee Fook Long (appointed on 24 May 2010)
Datin Linda Ngiam Pick Ngoh
Mr Ho Kay Tat (appointed on 3 January 2011)
Tan Sri Datuk Seri Kamal Mohamed Hashim
Datuk Seri Wong Chun Wai
Dato' Wira Syed Abdul Jabbar bin Syed Hassan
Dato' Dr Mohd Aminuddin bin Mohd Rouse
Mr Foo San Kan
Mr Lee Siang Korn @ Lee Siang Chin (appointed on 24 May 2010)
Dato' Yip Kum Fook (appointed on 27 July 2010)
Tan Sri Dato' Dr Sak Cheng Lum (resigned on 24 May 2010)
Mr Ng Beng Lye (resigned on 24 May 2010)
Mr Tan Foong Luen (resigned on 24 May 2010)
Datuk Leong Tang Chong (resigned on 23 June 2010)
Dato' Clement Hii Chii Kok (resigned on 31 December 2010)

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2010 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 as at 1.1.2010	Bought	Sold	Balance as at 31.12.2010
Direct interests in the Company				
Datuk Vincent Lee Fook Long	-	168,300	-	168,300
Datin Linda Ngiam Pick Ngoh	999,000	-	(408,000)	591,000
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	-	-	100,000
Datuk Seri Wong Chun Wai	4,000	-	-	4,000
Indirect interests in the Company				
Datin Linda Ngiam Pick Ngoh	-	400,000	-	400,000
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 options over ordinary shares of 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 any benefit (other than those benefits 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 other than the remuneration received by certain Directors as directors/executives of the subsidiaries.

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 statements of comprehensive income and statements of financial positions 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 provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision 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 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 of bad debts written off or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial 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.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of 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 this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

(Cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 45 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 46 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.

Datuk Vincent Lee Fook Long
Director

Datin Linda Ngiam Pick Ngoh
Director

Petaling Jaya
23 March 2011

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 96 to 220 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datuk Vincent Lee Fook Long
Director

Datin Linda Ngiam Pick Ngoh
Director

Petaling Jaya
23 March 2011

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 96 to 220 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)
Date: 23 March 2011)

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 statements of financial positions as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 96 to 220.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, 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 all 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 purpose 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.

The supplementary information set out in Note 22(f) to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and does not form part of the financial statements. The Directors are responsible for the preparation of such supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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 in Malaysia 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

Ooi Thiam Poh
2495/01/12 (J)
Chartered Accountant

Kuala Lumpur
23 March 2011

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010

	Note	Group 2010 RM'000	2009 (Restated) RM'000	Company 2010 RM'000	2009 (Restated) RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	580,225	622,787	556,605	601,220
Investment properties	8	16,068	20,093	16,068	20,093
Intangible assets	10	54,653	52,331	-	-
Investments in subsidiaries	11	-	-	122,582	94,032
Investment in an associate	12	10,144	11,911	10,144	12,239
Investments in jointly controlled entities	13	11,322	15,960	11,326	20,091
Other investments	14	44,262	47,352	38,007	41,137
Deferred tax assets	15	574	632	-	-
Other receivables	16	-	-	-	28,549
Other non-current assets	17	-	1,825	-	-
Total non-current assets		717,248	772,891	754,732	817,361
Current assets					
Inventories	18	210,502	85,514	209,832	84,658
Other investments	14	5,000	-	5,000	-
Trade and other receivables	16	190,058	197,332	160,156	141,290
Current tax assets		87	1,386	-	-
Cash and cash equivalents	19	216,688	773,229	92,889	562,778
Total current assets		622,335	1,057,461	467,877	788,726
Non-current assets held for sale	20	24,120	-	24,120	-
TOTAL ASSETS		1,363,703	1,830,352	1,246,729	1,606,087

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010 (Cont'd)

	Note	Group 2010 RM'000	Group 2009 (Restated) RM'000	Company 2010 RM'000	Company 2009 (Restated) RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	738,564	738,564	738,564	738,564
Treasury shares	21	(225)	(225)	(225)	(225)
Reserves	22	269,883	515,767	230,958	451,075
		1,008,222	1,254,106	969,297	1,189,414
Minority interest		27,335	28,778	-	-
TOTAL EQUITY		1,035,557	1,282,884	969,297	1,189,414
Non-current liabilities					
Borrowings	24	42,066	45,555	-	-
Deferred tax liabilities	15	79,026	81,140	78,435	80,523
Total non-current liabilities		121,092	126,695	78,435	80,523
Current liabilities					
Trade and other payables	26	138,855	157,135	135,395	77,647
Borrowings	24	2,698	3,410	-	-
Medium Term Notes and Commercial Paper	27	50,367	250,000	50,367	250,000
Current tax payable		15,134	10,228	13,235	8,503
Total current liabilities		207,054	420,773	198,997	336,150
TOTAL LIABILITIES		328,146	547,468	277,432	416,673
TOTAL EQUITY AND LIABILITIES		1,363,703	1,830,352	1,246,729	1,606,087

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2010

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	28	1,061,700	973,921	802,279	720,471
Cost of sales and services	29	(412,441)	(442,936)	(266,305)	(277,547)
Gross profit		649,259	530,985	535,974	442,924
Other income		29,242	33,466	60,673	25,189
Distribution costs		(170,269)	(142,886)	(152,888)	(131,763)
Administrative and other expenses		(236,183)	(204,089)	(167,654)	(141,549)
Finance costs	30	(6,901)	(15,653)	(5,324)	(13,950)
Share of losses of an associate	12	(1,767)	(328)	-	-
Share of losses of jointly controlled entities	13	(4,574)	(4,340)	-	-
Profit before tax	31	258,807	197,155	270,781	180,851
Tax expense	32	(68,639)	(47,522)	(63,670)	(52,862)
Profit for the financial year		190,168	149,633	207,111	127,989
Other comprehensive income:					
Fair value gains on available-for-sale financial assets		100	-	-	-
Foreign currency translations		(5,663)	25,725	-	-
Other comprehensive income, net of tax		(5,563)	25,725	-	-
Total comprehensive income		184,605	175,358	207,111	127,989
Profit attributable to:					
Owners of the parent		184,941	144,711	207,111	127,989
Minority interest		5,227	4,922	-	-
		190,168	149,633	207,111	127,989
Total comprehensive income attributable to:					
Owners of the parent		180,991	170,708	207,111	127,989
Minority interest		3,614	4,650	-	-
		184,605	175,358	207,111	127,989
Earnings per ordinary share attributable to equity holders of the Company (sen)					
- Basic	33	25.04	19.59		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2010

Group	[-----Attributable to equity holders of the Company-----]							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Minority interest RM'000	
Balance as at 31 December 2008	738,564	-	(1,226)	-	473,532	1,210,870	23,117	1,233,987
Total comprehensive income	-	-	25,997	-	144,711	170,708	4,650	175,358
Transactions with owners								
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 22)	-	-	-	149	-	149	84	233
Voluntary liquidation of a subsidiary (Note 37)	-	-	-	-	-	-	(1,103)	(1,103)
Dividends paid to minority shareholders	-	-	-	-	-	-	(817)	(817)
Dividends (Note 34)	-	-	-	-	(127,396)	(127,396)	-	(127,396)
Total transactions with owners	-	(225)	-	149	(127,396)	(127,472)	1,011	(126,461)
Balance as at 31 December 2009	738,564	(225)	24,771	149	490,847	1,254,106	28,778	1,282,884

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2010 (Cont'd)

Group	[-----Attributable to equity holders of the Company-----]							Minority interest RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Available -for-sale reserve RM'000	Foreign exchange translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000		
Balance as at 31 December 2009	738,564	(225)	-	24,771	149	490,847	1,254,106	28,778	1,282,884
Effects of the adoption of FRS 139 (Note 48)	-	-	-	-	-	141	141	-	141
Restated balance as at 1 January 2010	738,564	(225)	-	24,771	149	490,988	1,254,247	28,778	1,283,025
Total comprehensive income	-	-	100	(4,050)	-	184,941	180,991	3,614	184,605
Transactions with owners									
Additional investment in a subsidiary	-	-	-	-	-	-	-	(2,848)	(2,848)
Share options granted under Employee Share Option Scheme ("ESOS") of a subsidiary (Note 22)	-	-	-	-	387	-	387	221	608
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(2,430)	(2,430)
Dividends (Note 34)	-	-	-	-	-	(427,403)	(427,403)	-	(427,403)
Total transactions with owners	-	-	-	-	387	(427,403)	(427,016)	(5,057)	(432,073)
Balance as at 31 December 2010	738,564	(225)	100	20,721	536	248,526	1,008,222	27,335	1,035,557

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

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 31 December 2010 (Cont'd)

Company	Non-Distributable		Distributable		Total RM'000
	Share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
Balance as at 31 December 2008	738,564	1,722	-	448,760	1,189,046
Repurchase of shares	-	-	(225)	-	(225)
Total comprehensive income	-	-	-	127,989	127,989
Dividends (Note 34)	-	-	-	(127,396)	(127,396)
Balance as at 31 December 2009	738,564	1,722	(225)	449,353	1,189,414
Effects of the adoption of FRS 139 (Note 48)	-	-	-	175	175
Restated balance as at 1 January 2010	738,564	1,722	(225)	449,528	1,189,589
Total comprehensive income	-	-	-	207,111	207,111
Dividends (Note 34)	-	-	-	(427,403)	(427,403)
Balance as at 31 December 2010	738,564	1,722	(225)	229,236	969,297

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

STATEMENTS OF CASH FLOW

For The Financial Year Ended 31 December 2010

	Note	Group 2010 RM'000	2009 (Restated) RM'000	Company 2010 RM'000	2009 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		258,807	197,155	270,781	180,851
Adjustments for :					
Allowance for credit losses:					
- third parties	16(h)	2,023	1,831	52	1,017
- subsidiaries	31	-	-	2,446	8,529
Allowance for credit losses no longer required	16(h)	(714)	(663)	(573)	(131)
Amortisation of radio licence	10(b)	425	1,707	-	-
Amortisation of club membership	10(c)	269	270	-	-
Bad debts written off		170	6	-	6
Depreciation of investment properties	8	610	391	610	391
Depreciation of property, plant and equipment	7	47,625	47,961	42,137	42,694
Dividend income		-	-	(39,455)	-
Fair value gain on other investments	31	(1,486)	-	(1,486)	-
Loss/(Gain) on voluntary liquidation of a subsidiary		-	16	-	(96)
Impairment losses on:					
- goodwill on consolidation	10(a)	602	-	-	-
- investments in subsidiaries	11	-	-	-	1,680
- investment in an associate	12	-	-	2,095	-
- investment in jointly controlled entities	13	-	-	8,680	265
Interest expenses	30	6,901	15,653	5,324	13,950
Interest income		(13,533)	(14,694)	(7,742)	(9,761)
Investment income		(3,741)	(3,073)	(3,741)	(3,073)
Net (gain)/loss on disposal of property, plant and equipment		(164)	533	(179)	534
Loss on disposal of investment in jointly controlled entity	36	42	-	64	-
Loss on partial disposal of investment in subsidiary		-	626	-	-
Property, plant and equipment written off		1,254	808	1,197	703
Provision for unutilised staff leave	26(f)	541	434	347	-
Shares of losses of an associate		1,767	328	-	-
Share of losses of jointly controlled entities		4,574	4,340	-	-
Share options granted under ESOS		608	233	-	-
Unrealised loss on foreign exchange translations		-	-	2,424	-
Operating profit before working capital changes		306,580	253,862	282,981	237,559

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

STATEMENTS OF CASH FLOW
For The Financial Year Ended 31 December 2010 (Cont'd)

	Note	Group 2010 RM'000	2009 (Restated) RM'000	Company 2010 RM'000	2009 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit before working capital changes		306,580	253,862	282,981	237,559
Changes in working capital:					
Inventories		(125,005)	129,401	(125,174)	129,719
Trade and other receivables		2,369	(30,749)	(11,920)	1,210
Trade and other payables		(18,238)	30,981	9,567	(13,374)
Cash generated from operations		165,706	383,495	155,454	355,114
Tax paid		(64,441)	(46,909)	(61,026)	(41,211)
Tax refunded		32	1,429	-	-
Retirement benefits paid		-	(500)	-	(500)
Net cash from operating activities		101,297	337,515	94,428	313,403
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		621	673	445	479
Proceeds from partial disposal of a subsidiary		-	9,006	-	-
Proceeds from disposal of investment in jointly controlled entity	36	21	-	21	-
Purchases of property, plant and equipment	7	(27,666)	(15,357)	(19,551)	(13,080)
Purchases of investment properties	8	(143)	(11,596)	(143)	(11,596)
Purchases of other investments		(209)	(47,352)	(209)	(41,137)
Acquisition of subsidiaries, net of cash acquired		(2)	(12)	(2)	-
Additional investments in subsidiaries		(6,343)	(6,670)	-	(10)
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	37	-	(1,111)	-	-
Advances from/(Advances to) subsidiaries		-	-	36,544	(21,834)
Interest received		12,665	11,832	7,742	9,761
Investment income received		3,741	3,073	3,741	3,073
Dividend received		-	-	39,455	-
Net cash (used in)/from investing activities		(17,315)	(69,753)	68,043	(84,035)

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

STATEMENTS OF CASH FLOW

For The Financial Year Ended 31 December 2010 (Cont'd)

	Note	Group 2010 RM'000	2009 (Restated) RM'000	Company 2010 RM'000	2009 (Restated) RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments for finance lease liabilities		(967)	(898)	-	-
Repayments of bank loan		(18,701)	(695)	-	-
Redemption of Medium Term Notes		(250,000)	-	(250,000)	-
Repurchase of shares		-	(225)	-	(225)
Drawdown of bank loan		16,276	4,941	-	-
Proceeds from the issuance of Commercial Paper		50,102	-	50,102	-
Interest paid		(6,636)	(15,653)	(5,059)	(13,950)
Dividends paid		(427,403)	(127,396)	(427,403)	(127,396)
Dividends paid by a subsidiary to minority shareholders		(1,403)	(817)	-	-
Net cash used in financing activities		(638,732)	(140,743)	(632,360)	(141,571)
Net (decrease)/increase in cash and cash equivalents		(554,750)	127,019	(469,889)	87,797
Effects of exchange rate fluctuations on cash and cash equivalents		(1,791)	24,654	-	-
Cash and cash equivalents as at beginning of financial year		773,229	621,556	562,778	474,981
Cash and cash equivalents as at end of financial year	19	216,688	773,229	92,889	562,778

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

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. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 23 March 2011.

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") and the provisions of the Companies Act, 1965 in Malaysia. However, the supplementary information set out in Note 22(f) to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

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 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 judgement 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 business combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

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 statement of comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

Minority interest is that portion of the profit or loss 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 statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to owners of the Company.

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

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests that result in gains or losses are recorded in profit or loss.

4.3 Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the 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 profit or loss 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 the asset is acquired, if applicable.

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 annual rates are as follows:

Buildings	30 years to 50 years
Long term leasehold land	62 years to 888 years
Plant and machinery	5.56% - 25%
Furniture, fittings and equipment, renovation and motor vehicles	10% - 50%
Exhibition services assets	10 %

Freehold land has unlimited useful life and is not depreciated. 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 the end of each reporting period, 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 non-financial 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 profit or loss 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 rental yields 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 profit or loss 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 they are permanently withdrawn from use and no future economic benefit is expected from their 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 profit or loss in the period of the retirement or disposal.

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 profit or loss 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 in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the 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.

Following the adoption of Amendment to *FRS 117 Leases* contained in the Improvements to FRSs (2009), the Group reassessed the classification of land elements of unexpired leases on the basis of information existing at the inception of those leases. Consequently, the Group retrospectively reclassified certain prepaid lease payments for land as finance leases as disclosed in Notes 9 and 47 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Intangible assets

4.6.1 Goodwill

Goodwill acquired in a business combination is 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 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 or 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 of five (5) years 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.

4.6.3 Club membership

Club membership of the Group is amortised over its estimated useful life of three (3) years. 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, is 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 its carrying amount is included in profit or loss.

(b) Associate

An associate is an entity over which the Group and the Company have 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

(b) Associate (cont'd)

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 statement of financial position 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.

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 profit or loss. 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. When the end of the reporting periods 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 end of the reporting periods 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 profit or loss.

(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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

(c) Jointly controlled entities (cont'd)

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. When 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.

Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the jointly controlled entity arising from changes in the jointly controlled entity's equity that have not been recognised in the associate's profit or loss. 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.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the following method:

Cost of newsprint of the Group and of the Company is determined on a weighted average basis while cost of other raw materials and consumables of the Group is determined on a first-in-first-out basis.

Cost of newsprint comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of other raw materials and consumables comprise direct materials, direct labour costs and the overheads cost.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 non-financial assets

The carrying amounts of assets, except for financial assets (other than investments in subsidiaries, associate and jointly controlled entity), inventories, deferred tax assets and assets arising from contract work are reviewed at the end of each reporting period 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 an 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.

Following the adoption of FRS 8 *Operating Segments* as disclosed in Note 4.21 to the financial statements, the consequential amendment to FRS 136 *Impairment of Assets* is also mandatory for financial periods beginning on or after 1 July 2009. This amendment requires goodwill acquired in a business combination to be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss 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 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss on 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 profit or loss except for the reversal of an impairment loss on a revalued asset 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 profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.11 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, 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 the end of each reporting period 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

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.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instruments. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits 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.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, 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.

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as 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 profit or loss.

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 profit or loss 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.

Following the adoption of FRS 139 during the financial year, the Group and Company reassessed the classification and measurement of financial assets and financial liabilities as at 1 January 2010. Consequently, as at 1 January 2010, the Group and Company reclassified and remeasured financial assets and financial liabilities as disclosed in Note 48 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Held-to-maturity investments and loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable or investee, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on held-to-maturity investments and loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of held-to-maturity investments is directly reduced by the impairment loss whilst the carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 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 profit or loss. 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 profit or loss in the period in which they are incurred.

4.15 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.

4.16 Employee benefits

4.16.1 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Employee benefits (cont'd)

4.16.2 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.

4.16.3 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 options 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 the end of each reporting period, 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 profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

The equity amount is recognised in the Group's 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.

4.16.4 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Income taxes

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

4.17.1 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 at the end of the reporting period.

4.17.2 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 statements of financial position 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 profits 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 the end of each reporting period. 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 profits will be available, such reductions will be reversed to the extent of the taxable profits.

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 on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in the profit or loss 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 at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Foreign currencies

4.18.1 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.

4.18.2 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 end of the reporting period 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 profit or loss 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.

4.18.3 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 statements of comprehensive income. 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 profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

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 end of the reporting period.

4.19 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:

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Revenue recognition (cont'd)

(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).

(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. 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.

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

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(d) Interest income

Interest income is recognised as it accrues, using the 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets must be available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and their sale must be highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified as current assets in the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Group has classified an asset as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

- (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale;
- (ii) its recoverable amount at the date of the subsequent decision not to sell.

4.21 Operating segments

During the previous financial year, segment reporting was presented based on business segments and geographical segments of the Group. 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.

Following the adoption of FRS 8 *Operating Segments* during the current financial year, operating segments are defined as components of the Group that:

- (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 Operating segments (cont'd)

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group Managing Director who is also the Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) per cent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRSs adopted during the current financial year

(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.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

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, as elaborated in Note 4.21 to the financial statements.

In accordance with the transitional provisions of FRS 8, segment information for prior years that is reported as comparative information for the initial year of application has been restated to conform with the requirements of FRS 8, as disclosed in Note 42 to the 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 202₂₀₀₄ *General Insurance Business* and FRS 203₂₀₀₄ *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.

Following the adoption of this Standard, the Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts.

- (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 the Group's financial position and performance.

- (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.

There is no impact upon adoption of this Standard during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (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. The impact upon adoption of this Standard is disclosed in Note 48 to the financial statements.
- (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.

There is no impact upon adoption of these amendments during the financial year.

- (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.

There is no impact upon adoption of these amendments during the financial year.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (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 in which the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2(l) to the financial statements.

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (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.

There is no impact upon adoption of this Interpretation during the financial year.

- (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.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)**5.1 New FRSs adopted during the current financial year (cont'd)**

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

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

- (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 streamline the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

There is no impact upon adoption of these amendments during the financial year.

- (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.

There is no impact upon adoption of these amendments during the financial year.

- (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. There is no impact upon adoption of this amendment during the financial year.

- (ii) Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (p) *Improvements to FRSs (2009)* are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)
- (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. There is no impact upon adoption of this amendment during the financial year.
 - (iv) Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. As at 1 January 2010, the Group and Company had carrying amount of prepaid lease payment for land of RM42,801,041 that has been reclassified as long term leasehold land in accordance with the FRS 116 *Property, Plant and Equipment* upon adoption of this amendment (see Note 47 to the financial statements).
 - (viii) Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (p) Improvements to FRSs (2009) are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)
- (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (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. There is no impact upon adoption of this amendment during the financial year.
 - (xvi) 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. There is no impact upon adoption of this amendment during the financial year.
 - (xvii) 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. There is no impact upon adoption of this amendment during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

(p) Improvements to FRSs (2009) are mandatory for annual financial periods beginning on or after 1 January 2010. (cont'd)

(xviii) 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. There is no impact upon adoption of this amendment during the financial year.

(q) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 and in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132₂₀₀₄ *Financial Instruments: Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

There is no impact upon adoption of these amendments during the financial year.

(r) Amendments to FRS 139 is mandatory for annual periods beginning on or after 1 January 2010.

These amendments 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.

There is no impact upon adoption of these amendments during the financial year.

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

(a) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 March 2010 in respect of the classification of rights issues.

The amendments clarify that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro-rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

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

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (b) 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 impact on the financial statements arising from the adoption of this Standard.

- (c) 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 impact on the financial statements arising from the adoption of this Standard.

- (d) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

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

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.

At the end of the reporting period, the Group reports minority interests of RM27,335,000. The Group expects to reclassify this as non-controlling interests and remeasure the non-controlling interests prospectively in accordance with the transitional provisions of FRS 127.

- (e) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 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 impact on the financial statements arising from the adoption of this amendment.
- (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 impact on the 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 impact on the financial statements arising from the adoption of this amendment.
- (iv) 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 impact on the financial statements arising from the adoption of this amendment.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (f) 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. The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

- (g) 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 impact on the financial statements arising from the adoption of this Interpretation.

- (h) 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 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (h) 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 impact on the financial statements arising from the adoption of this Interpretation.

- (i) Amendment to FRS 1 *Limited Exemption from Comparative* FRS 7 *Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7 (see Note 14 to the financial statements).

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

- (j) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

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

- (k) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

- (l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011. (cont'd)

Consequently, IC Interpretation 8 Scope of FRS 2 and IC Interpretation 11 have been superseded and withdrawn.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(j) to the financial statements.

- (m) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment because there are no arrangements dependent on the use of specific assets in the Group.

- (n) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment because there are no such arrangements in the Group.

- (o) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual financial periods beginning on or after 1 January 2012.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (o) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual financial periods beginning on or after 1 January 2012. (cont'd)

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.).

The Group does not expect any impact on the financial statements arising from the adoption of this amendment because there are no such arrangements in the Group.

- (p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the consolidated financial statements arising from the adoption of this amendment.

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

(p) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011. (cont'd)

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements arising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

(q) Amendments to IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (r) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations when equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

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

- (s) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

6.1 Critical judgements made in applying accounting policies (cont'd)

(b) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

(c) Non-current assets held for sale

Certain non-current assets have been classified as non-current assets held for sale as the management has committed to a plan to sell the assets as at the end of the reporting period. Barring any unforeseen circumstances, the Group expects that the sale of the assets to be completed within the next twelve (12) months.

(d) 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 end of the reporting period 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 determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The calculation of the value-in-use amount is most sensitive to the following assumptions:

- (i) Budgeted gross margins. Gross margins are based on historical averages achieved in the preceding five (5) financial years, adjusted to reflect anticipated efficiency and productivity improvements.
- (ii) Pre-tax discount rates. The discount rates reflect current market assessment of specific risks of the subsidiaries. These discount rates have consistently been used by management as the benchmark rates in project appraisals of the subsidiaries.

Further details are disclosed in Note 10(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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 credit losses

The Group makes allowance for credit losses 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 allowances for credit losses. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(f) Construction contracts

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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

6.2 Key sources of estimation uncertainty (cont'd)

(g) 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 profit or loss 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.

(h) 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.

(i) Fair values of borrowings and Commercial Paper

The fair values of borrowings and Commercial Paper 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.

(j) Impairment of assets

The Group determines whether an asset is impaired by evaluating the extent to which the recoverable amount of an asset is less than its carrying amount. This evaluation is subject to factors such as market performance, economic and political situation of the country.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect its income and cash flows. Judgement has been used to determine the discount rate for the cash flows and the future growth of the business.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

Group 2010	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Plant and buildings under construction RM'000	Exhibition services assets RM'000	Total RM'000
Cost/Valuation									
At 1 January, as restated									
- at cost	46,447	126,918	48,721	19,689	585,528	150,244	1,255	13,073	991,875
- at valuation	-	-	1,600	800	-	-	-	-	2,400
Additions	-	-	9,000	-	633	9,228	3,231	5,574	27,666
Disposals	-	-	-	-	(320)	(2,423)	-	(396)	(3,139)
Reclassified as non-current assets held for sale (Note 20)	-	-	(18,855)	(3,315)	-	-	-	-	(22,170)
Write off	-	-	-	-	(1,185)	(6,578)	-	(194)	(7,957)
Exchange adjustments	-	-	-	-	(16)	(540)	-	(643)	(1,199)
Reclassification	-	-	-	-	190	-	(190)	-	-
At 31 December	46,447	126,918	40,466	17,174	584,830	149,931	4,296	17,414	987,476
Accumulated depreciation									
At 1 January, as restated	-	19,668	7,520	3,946	212,553	116,782	-	9,956	370,425
Charge for the financial year	-	2,538	613	512	29,200	13,534	-	1,228	47,625
Disposals	-	-	-	-	(320)	(2,080)	-	(282)	(2,682)
Reclassified as non-current assets held for sale (Note 20)	-	-	(1,182)	(426)	-	-	-	-	(1,608)
Write off	-	-	-	-	(1,000)	(5,562)	-	(141)	(6,703)
Exchange adjustments	-	-	-	-	(12)	(380)	-	(477)	(869)
At 31 December	-	22,206	6,951	4,032	240,421	122,294	-	10,284	406,188
Accumulated impairment									
At 1 January/31 December	-	-	-	-	1,063	-	-	-	1,063
Carrying amount									
At 31 December									
- at cost	46,447	104,712	32,524	13,142	343,346	27,637	4,296	7,130	579,234
- at valuation	-	-	991	-	-	-	-	-	991
	46,447	104,712	33,515	13,142	343,346	27,637	4,296	7,130	580,225

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

Group 2009	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Plant and buildings under construction RM'000	Exhibition services assets RM'000	Total RM'000
Cost/Valuation									
At 1 January, as restated									
- at cost	46,447	126,907	48,721	19,529	575,881	140,601	1,308	13,136	972,530
- at valuation	-	-	1,600	800	-	-	-	-	2,400
Additions	-	11	-	-	10,311	13,945	602	74	24,943
Disposals	-	-	-	-	(481)	(2,738)	-	(28)	(3,247)
Write off	-	-	-	(30)	-	(3,601)	(655)	(90)	(4,376)
Exchange adjustments	-	-	-	-	7	2,037	-	(19)	2,025
Reclassification	-	-	-	190	(190)	-	-	-	-
At 31 December, as restated	46,447	126,918	50,321	20,489	585,528	150,244	1,255	13,073	994,275
Accumulated depreciation									
At 1 January, as restated	-	17,130	6,906	3,444	182,959	106,783	-	8,852	326,074
Charge for the financial year	-	2,538	614	512	30,070	13,025	-	1,202	47,961
Disposals	-	-	-	-	(481)	(1,536)	-	(24)	(2,041)
Write off	-	-	-	(10)	-	(3,516)	-	(42)	(3,568)
Exchange adjustments	-	-	-	-	5	2,026	-	(32)	1,999
At 31 December, as restated	-	19,668	7,520	3,946	212,553	116,782	-	9,956	370,425
Accumulated impairment									
At 1 January/31 December	-	-	-	-	1,063	-	-	-	1,063
Carrying amount									
At 31 December, as restated									
- at cost	46,447	107,250	41,788	16,518	371,912	33,462	1,255	3,117	621,749
- at valuation	-	-	1,013	25	-	-	-	-	1,038
	46,447	107,250	42,801	16,543	371,912	33,462	1,255	3,117	622,787

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

Company 2010	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Plant and buildings under construction RM'000	Total RM'000
Cost/Valuation								
At 1 January, as restated								
- at cost	46,447	126,918	48,721	19,689	557,201	121,812	1,065	921,853
- at valuation	-	-	1,600	800	-	-	-	2,400
Additions	-	-	9,000	-	369	6,951	3,231	19,551
Disposals	-	-	-	-	(174)	(2,140)	-	(2,314)
Transfer to subsidiaries	-	-	-	-	-	(18)	-	(18)
Reclassified as non-current assets held for sale (Note 20)	-	-	(18,855)	(3,315)	-	-	-	(22,170)
Write off	-	-	-	-	(1,185)	(6,480)	-	(7,665)
At 31 December	46,447	126,918	40,466	17,174	556,211	120,125	4,296	911,637
Accumulated depreciation								
At 1 January, as restated	-	19,668	7,520	3,946	196,515	95,384	-	323,033
Charge for the financial year	-	2,538	613	512	27,695	10,779	-	42,137
Disposals	-	-	-	-	(174)	(1,874)	-	(2,048)
Transfer to subsidiaries	-	-	-	-	-	(14)	-	(14)
Reclassified as non-current assets held for sale (Note 20)	-	-	(1,182)	(426)	-	-	-	(1,608)
Write off	-	-	-	-	(1,000)	(5,468)	-	(6,468)
At 31 December	-	22,206	6,951	4,032	223,036	98,807	-	355,032
Carrying amount								
At 31 December								
- at cost	46,447	104,712	32,524	13,142	333,175	21,318	4,296	555,614
- at valuation	-	-	991	-	-	-	-	991
	46,447	104,712	33,515	13,142	333,175	21,318	4,296	556,605

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

Company 2009	Freehold land RM'000	Freehold buildings RM'000	Leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Plant and buildings under construction RM'000	Total RM'000
Cost/Valuation								
At 1 January, as restated								
- at cost	46,447	126,907	48,721	19,529	556,868	115,462	1,308	915,242
- at valuation	-	-	1,600	800	-	-	-	2,400
Additions	-	11	-	-	793	11,674	602	13,080
Disposals	-	-	-	-	(460)	(2,182)	-	(2,642)
Write off	-	-	-	(30)	-	(2,687)	(655)	(3,372)
Transfer to subsidiaries	-	-	-	-	-	(455)	-	(455)
Reclassification	-	-	-	190	-	-	(190)	-
At 31 December, as restated	46,447	126,918	50,321	20,489	557,201	121,812	1,065	924,253
Accumulated depreciation								
At 1 January, as restated	-	17,130	6,906	3,444	168,396	88,825	-	284,701
Charge for the financial year	-	2,538	614	512	28,579	10,451	-	42,694
Disposals	-	-	-	-	(460)	(1,169)	-	(1,629)
Write off	-	-	-	(10)	-	(2,659)	-	(2,669)
Transfer to subsidiaries	-	-	-	-	-	(64)	-	(64)
At 31 December, as restated	-	19,668	7,520	3,946	196,515	95,384	-	323,033
Carrying amount								
At 31 December, as restated								
- at cost	46,447	107,250	41,788	16,518	360,686	26,428	1,065	600,182
- at valuation	-	-	1,013	25	-	-	-	1,038
	46,447	107,250	42,801	16,543	360,686	26,428	1,065	601,220

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

- (a) A leasehold land and building of the Group and of the Company was 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 without the need for regular revaluation. The revalued leasehold building and leasehold land is now fully depreciated.

	Group and Company	
	2010	2009
	RM'000	RM'000
Cost	669	669
Accumulated depreciation	(669)	(669)
Carrying amount	-	-

- (b) The title of freehold buildings of the Group and the Company with carrying amount of RM45,521,000 (2009: RM46,636,000) have yet to be issued by the relevant authorities.

- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	27,666	24,943	19,551	13,080
Financed by finance lease arrangement	-	(9,586)	-	-
Cash payments on purchase of property, plant and equipment	27,666	15,357	19,551	13,080

- (d) Included in additions of property, plant and equipment of the Group and the Company is RM9,000,000 (2009: RM Nil) paid for the purpose of renewing the lease period of a leasehold land from 51 years to 99 years.

- (e) As at 31 December 2010, the net carrying amount of the Group's property, plant and equipment under hire purchase or finance lease are as follows:

	Group	
	2010	2009
	RM'000	RM'000
Computers	5	71
Transmitters	7,627	8,572
Motor vehicles	616	963
	8,248	9,606

Details of the terms and conditions of the hire purchase and finance lease liabilities are disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

- (f) 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 (2009: SGD585,876) or equivalent to RM1,418,000 (2009: RM1,447,000).
- (g) During the financial year, the Group reassessed its long term leases of land in accordance with the Amendment to FRS 117 to be finance leases, where applicable. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively. The leasehold land is analysed as:

Leasehold land	Group and Company	
	2010 RM'000	2009 RM'000
Analysed as:		
Long term (unexpired period more than 50 years)	31,914	19,164
Short term (unexpired period less than 50 years)	1,601	23,637
	33,515	42,801

8. INVESTMENT PROPERTIES

Buildings	Group and Company	
	2010 RM'000	2009 RM'000
Cost		
Balance as at 1 January	24,364	12,768
Additions during the financial year	143	11,596
Reclassified as non-current assets held for sale (Note 20)	(3,624)	-
Balance as at 31 December	20,883	24,364
Accumulated depreciation		
Balance as at 1 January	4,271	3,880
Depreciation charge for the financial year	610	391
Reclassified as non-current assets held for sale (Note 20)	(66)	-
Balance as at 31 December	4,815	4,271
Carrying amount	16,068	20,093
Fair value	27,570	27,360

The title of a building of the Group and the Company with a carrying amount of RM3,088,000 (2009: RM11,957,000) has yet to be issued by the relevant authority.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

8. INVESTMENT PROPERTIES (CONT'D)

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 statements of comprehensive income in respect of investment properties:

	Group and Company	
	2010	2009
	RM'000	RM'000
Rental income (Note 31)	1,983	2,229
Direct operating expenses incurred on income generating investment properties	231	247

9. PREPAID LEASE PAYMENTS FOR LAND

During the financial year, the Group reassessed its long term leases of land in accordance with the Amendment to FRS 117 to be finance leases, where applicable. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively. The detailed of the classification of prepaid lease payments for land as property, plant and equipment is disclosed in Note 47 to the financial statements.

10. INTANGIBLE ASSETS

		Group	
	Note	2010	2009
		RM'000	RM'000
Goodwill on consolidation	a	54,386	51,362
Radio licence	b	-	425
Club membership	c	267	544
		54,653	52,331

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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:

	2010 RM'000	Group 2009 RM'000
Cost		
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	2,022	2,022
- Exhibition services - CGU 4	46,392	50,180
	75,533	79,321
Additional investment in a subsidiary		
- Exhibition services - CGU 4	3,672	3,974
Partial disposal of investment in a subsidiary		
- Exhibition services - CGU 4	-	(7,762)
Balance as at 31 December		
- Radio broadcasting - CGU 1	21,932	21,932
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	2,022	2,022
- Exhibition services - CGU 4	50,064	46,392
	79,205	75,533
Exchange differences	1,974	2,025
	81,179	77,558
Accumulated impairment losses		
Balance as at 1 January		
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	1,300	1,300
- Exhibition services - CGU 4	19,501	23,000
	25,988	29,487
Impairment losses recognised during the year		
- Exhibition services - CGU 4	602	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

10. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (cont'd)

	2010 RM'000	Group 2009 RM'000
Partial disposal of investment in a subsidiary - Exhibition services - CGU 4	-	(3,499)
Balance as at 31 December		
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	1,300	1,300
- Exhibition services - CGU 4	20,103	19,501
Exchange differences	26,590 203	25,988 208
	26,793	26,196
Carrying amount	54,386	51,362
Carrying amount as at 31 December represents		
- Radio broadcasting - CGU 1	21,932	21,932
- Human capital resources - CGU 3	722	722
- Exhibition services - CGU 4	29,961	26,891
Exchange differences	1,771	1,817
	54,386	51,362

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 the end of the reporting period.

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 13% to 16% 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 8.68% 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.

10. INTANGIBLE ASSETS (CONT'D)**(a) Goodwill on consolidation (cont'd)****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 in prior years.

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 further impairment loss allocated to CGU 3 as the recoverable amount of CGU 3 was determined to be higher than its carrying amount as at the end of the reporting period.

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 9% to 23% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Pre-tax discount rate of 8.68% 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.

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 significant impairment loss allocated to CGU 4 as the recoverable amount of CGU 4 was determined to be higher than its carrying amount as at the end of the reporting period.

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 2% to 3% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Pre-tax discount rate of 8.68% 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

10. INTANGIBLE ASSETS (CONT'D)

(b) Radio licence

	2010 RM'000	Group 2009 RM'000
Cost		
Balance as at 31 December	7,483	7,483
Accumulated amortisation		
Balance as at 1 January	7,058	5,351
Charge for the financial year	425	1,707
Balance as at 31 December	7,483	7,058
Carrying amount	-	425

Impairment test on radio licence

In the previous financial year, 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 the end of the reporting period.

(c) Club membership

	2010 RM'000	Group 2009 RM'000
Cost		
Balance as at 1 January	814	-
Transfer from other investments (Note 14)	-	807
Exchange differences	(8)	7
Balance as at 31 December	806	814
Accumulated amortisation		
Balance as at 1 January	270	-
Charge for the financial year	269	270
Balance as at 31 December	539	270
Carrying amount	267	544

The club membership rights are held in trust by the Directors of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

11. INVESTMENTS IN SUBSIDIARIES

	Company 2010 RM'000	2009 RM'000
Unquoted shares - at cost	139,167	110,617
Less: Accumulated impairment losses	(16,585)	(16,585)
	122,582	94,032

The subsidiaries are as follows:

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2010	2009	Subsidiary 2010	2009	
Star Papyrus Printing Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive
Star Publications (Singapore) Pte. Ltd. ⁽¹⁾	Singapore	100%	100%	-	-	Advertising and commission agent
Excel Corporation (Australia) Pty. Ltd. ⁽¹⁾	Australia	100%	100%	-	-	Investment of assets held
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
Impian Ikon (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Laviani Pte. Ltd. ⁽¹⁾	Singapore	100%	100%	-	-	Investment holding
Star MediaWorks Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Acacia Forecast (M) Sdn. Bhd.	Malaysia	100%	-	-	-	Inactive

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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		Subsidiary		
		2010	2009	2010	2009	
Subsidiaries of Star MediaWorks Sdn. Bhd.						
StarProperty Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising
I.Star Sdn. Bhd.	Malaysia	-	-	100%	100%	Internet research and development
JustJobs Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising
Subsidiaries of I. Star Sdn. Bhd.						
Star Online Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
I.Star Ideas Factory Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Subsidiary of Star Commercial Publications Sdn. Bhd.						
Star Rfm Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station
Subsidiary of Excel Corporation (Australia) Pty. Ltd.						
AIUS Pty. Ltd. ⁽¹⁾	Australia	-	-	100%	100%	Inactive
Subsidiary of Impian Ikon (M) Sdn. Bhd.						
Leaderonomics Sdn. Bhd.	Malaysia	-	-	51%	51%	Provision of human capital development including training and consultancy

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 2010	Company 2009	Subsidiary 2010	Subsidiary 2009	
Subsidiary of Laviani Pte. Ltd.						
Cityneon Holdings Limited ⁽¹⁾	Singapore	-	-	64%	59%	Investment holding
Subsidiaries of Cityneon Holdings Limited						
Wonderful World Pte. Ltd. (Formerly known as Cityneon-World Projects Pte. Ltd.) ⁽¹⁾	Singapore	-	-	100%	51%	Provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs, advertising, public relations, media placement and provision of related services
Cityneon Concepts Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of event organising management and event marketing services
Comprise Electrical (S) Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of electrical services for exhibitions and event management industries
Cityneon Contracts Sdn. Bhd. ⁽²⁾	Malaysia	-	-	100%	100%	Provision of exhibitions and event management services, including rental of reusable modules and furnishings, roadshows and custom-built pavilions
Cityneon Events Pte. Ltd. (Formerly known as Cityneon Global Projects Pte. Ltd.) ⁽¹⁾	Singapore	-	-	100%	100%	Provision of management, projects, logistics and ownership service for events and festivals

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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		Subsidiary		
		2010	2009	2010	2009	
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Themewerks Pte. Ltd. ⁽¹⁾	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
Cityneon (Middle East) W.L.L. ⁽²⁾	Bahrain	-	-	100%	100%	Provision of exhibition services including rental of reusable modules and furnishings, custom-built pavilions and roadshows
Cityneon Creations Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of design and build services for custom-built exhibition pavilions and roadshows
Cityneon Exhibition Services (Vietnam) Co. Ltd. ⁽¹⁾	Vietnam	-	-	100%	100%	Inactive
PT. Wonderful World Marketing Services Indonesia ⁽²⁾	Indonesia	-	-	100%	-	Provision of management consultancy, consultancy services on thematic, interior and project management and consultancy services on tourism
Cityneon Management Services Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	-	Provision of management and administrative services
Cityneon Exhibition Services Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of exhibition services including rental of reusable modules, furnishings and furnitures

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 2010	Company 2009	Subsidiary 2010	Subsidiary 2009	
Subsidiaries of Cityneon Exhibition Services Pte. Ltd.						
E-Graphics Displays Pte. Ltd. ⁽¹⁾	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. ⁽²⁾	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. ⁽²⁾	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. ⁽¹⁾	Singapore	-	-	65%	65%	Design, build, construct, manufacture trade in projects and components of water features, landscapes, thematic leisure and entertainment outlets

⁽¹⁾ Audited by member firms of BDO International.

⁽²⁾ Not audited by BDO or member firms of BDO International.

In 2009, impairment losses amounting to RM973,000, RM205,000 and RM502,000 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Additional investment in a subsidiary

On 15 March 2010, the Company increased its investment in the paid-up capital in Laviani Pte. Ltd. ("Laviani") a wholly owned subsidiary, from SGD1 to SGD11,750,000. The increase was settled by way of capitalising the amounts owing by Laviani to the Company amounting to RM28,549,000. The details of the capitalising of the amounts owing by Laviani to the Company is disclosed in Note 16(a) to the financial statements.

12. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted equity shares in overseas, at cost	12,239	12,239	12,239	12,239
Impairment losses	-	-	(2,095)	-
Share of post acquisition reserves	(2,095)	(328)	-	-
	10,144	11,911	10,144	12,239

The detail of the associate is as follows:

Name of Company	Country of incorporation	Interest in equity held by Company		Principal activities
		2010	2009	
701Sou (Hong Kong) Pte. Limited ⁽¹⁾	Hong Kong	20%	20%	Investment holding

⁽¹⁾ Not audited by BDO or member firms of BDO International.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

12. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of the associate is as follows:

	Group	
	2010 RM'000	2009 RM'000
Assets and liabilities		
Non-current assets	5,660	6,750
Current assets	33,132	47,471
Total assets	38,792	54,221
Current liabilities	5,118	8,599
Total liabilities	5,118	8,599
Results		
Revenue	37	41
Loss for the financial year	(8,836)	(10,427)

13. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted equity shares, at cost	20,006	20,356	20,006	20,356
Impairment loss	-	-	(8,680)	(265)
Share of post acquisition reserves, net of dividends received	(8,684)	(4,396)	-	-
	11,322	15,960	11,326	20,091

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

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

The details of the jointly controlled entities are as follows:

Name of Company	Country of incorporation	Interest in equity held by Company		Principal activities
		2010	2009	
701Panduan Sdn. Bhd. ⁽¹⁾	Malaysia	50%	50%	Provide directory services through internet, mobile and other platforms
LLL-Lifelong Learning Network Sdn. Bhd. ⁽¹⁾	Malaysia	-	35%	Promote lifelong courses, programs and activities developments

⁽¹⁾ Not audited by BDO or member firms of BDO International.

On 2 September 2010, the Company disposed of its entire 35% equity interest in LLL-Lifelong Learning Network Sdn. Bhd.. The detailed of the disposal is disclosed in Note 36 to the financial statements.

The Group's aggregate share of the assets, liabilities and income and expenses of the jointly controlled entities are as follows:

	Group	
	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	19,815	27,890
Non-current assets	3,955	5,464
Total assets	23,770	33,354
Current liabilities	1,137	1,379
Total liabilities	1,137	1,379
Results		
Revenue	622	1,122
Expenses, including finance costs and tax expense	(9,728)	(9,936)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

14. OTHER INVESTMENTS

Group	Carrying amount RM'000	Market value of quoted investments RM'000
2010		
Non-current		
Financial assets at fair value through profit or loss		
- Quoted investment funds (within Malaysia)	28,007	28,007
Available-for-sale financial assets		
- Quoted bond (outside Malaysia)	6,255	6,255
Financial assets held to maturity		
- 4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	5,000	5,106
- 4.00% p.a. Malaysian quoted investment funds due on 30 June 2012	5,000	5,339
	10,000	10,445
Total non-current other investments	44,262	44,707
Current		
Financial assets held to maturity		
- 5.00% p.a. Malaysian quoted investment funds due on 20 May 2011	5,000	5,002
Total current other investment	5,000	5,002
Total other investments	49,262	49,709

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

14. OTHER INVESTMENTS (CONT'D)

Group	Carrying amount RM'000	Market value of quoted investments RM'000
2009		
Non-current		
At cost		
Quoted investment funds (within Malaysia)	41,137	41,312
Quoted bonds (outside Malaysia)	6,215	6,181
	47,352	47,493
Club membership		
Balance as at 1 January	807	-
Transfer to intangible assets (Note 10(c))	(807)	-
	-	-
Total non-current other investments	47,352	47,493
Total other investments	47,352	47,493
Company	Carrying amount RM'000	Market value of quoted investments RM'000
2010		
Non-current		
Financial assets at fair value through profit or loss		
- Quoted investment funds (within Malaysia)	28,007	28,007
Financial assets held to maturity		
- 4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	5,000	5,106
- 4.00% p.a. Malaysian quoted investment funds due on 30 June 2012	5,000	5,339
	10,000	10,445
Total non-current other investments	38,007	38,452

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

14. OTHER INVESTMENTS (CONT'D)

Company	Carrying amount RM'000	Market value of quoted investments RM'000
2010		
Current		
Financial assets held to maturity		
- 5.00% p.a. Malaysian quoted investment funds due on 20 May 2011	5,000	5,002
Total current other investments	5,000	5,002
Total other investments	43,007	43,454
2009		
Non-current		
At cost		
Quoted investment funds (within Malaysia)	41,137	41,312

(a) The comparative figures have not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.

(b) Information on the fair value hierarchy is disclosed in Note 43(e) to the financial statements.

15. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Balance as at 1 January	80,508	77,142	80,523	69,164
Recognised in profit or loss (Note 32)	(2,047)	3,353	(2,088)	11,359
Exchange differences	(9)	13	-	-
Balance as at 31 December	78,452	80,508	78,435	80,523

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

15. DEFERRED TAX (CONT'D)

(a) The deferred tax assets and liabilities are made up of the following: (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Presented after appropriate offsetting:				
Deferred tax assets, net	(574)	(632)	-	-
Deferred tax liabilities, net	79,026	81,140	78,435	80,523
	78,452	80,508	78,435	80,523

(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, plant and equipment RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2010	89,119	(7,979)	81,140
Recognised in profit or loss	(229)	(1,876)	(2,105)
Exchange differences	(9)	-	(9)
At 31 December 2010	88,881	(9,855)	79,026
At 1 January 2009	86,333	(8,705)	77,628
Recognised in profit or loss	2,742	726	3,468
Exchange differences	44	-	44
At 31 December 2009	89,119	(7,979)	81,140

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 Group

	Provision for retirement benefits RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Accrual for staff costs RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2010	-	(165)	(7,692)	(754)	7,979	(632)
Recognised in profit or loss	-	115	(1,848)	(85)	1,876	58
Exchange differences	-	*	-	*	-	*
At 31 December 2010	-	(50)	(9,540)	(839)	9,855	(574)
At 1 January 2009	(125)	(363)	(7,766)	(937)	8,705	(486)
Recognised in profit or loss	125	200	74	212	(726)	(115)
Exchange differences	-	(2)	-	(29)	-	(31)
At 31 December 2009	-	(165)	(7,692)	(754)	7,979	(632)

* Less than RM1,000

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2010	88,389	(7,866)	80,523
Recognised in profit or loss	(105)	(1,983)	(2,088)
At 31 December 2010	88,284	(9,849)	78,435
At 1 January 2009	85,419	(16,255)	69,164
Recognised in profit or loss	2,970	8,389	11,359
At 31 December 2009	88,389	(7,866)	80,523

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (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 for retirement benefits RM'000	Accrual for staff costs RM'000	Allowance for credit losses RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2010	-	(7,416)	-	(450)	7,866	-
Recognised in profit or loss	-	(1,763)	-	(220)	1,983	-
At 31 December 2010	-	(9,179)	-	(670)	9,849	-
At 1 January 2009	(125)	(7,831)	(7,592)	(707)	16,255	-
Recognised in profit or loss	125	415	7,592	257	(8,389)	-
At 31 December 2009	-	(7,416)	-	(450)	7,866	-

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	2010 RM'000	Group 2009 RM'000
Other temporary differences	(1,756)	(1,427)
Unabsorbed capital allowances	5,996	4,838
Unused tax losses		
- No expiry date	17,621	12,829
- Expired by 31 December 2010	-	527
- Expires by 31 December 2011	473	529
- Expires by 31 December 2012	135	284
- Expires by 31 December 2013	121	169
- Expires by 31 December 2014	467	578
	23,057	18,327

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 2010 (Cont'd)

16. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-current					
Amount owing by a subsidiary-non trade		-	-	-	28,549
Less: Allowance for credit losses		-	-	-	-
	a	-	-	-	28,549
Current					
Trade					
Third parties	g	162,186	144,850	110,444	97,645
Subsidiaries		-	-	496	1,685
Amount due from contract customers	b	13,007	35,874	-	-
		175,193	180,724	110,940	99,330
Less: Allowance for credit losses					
- Third parties	h	(12,681)	(11,703)	(8,182)	(8,753)
	d	162,512	169,021	102,758	90,577
Non-trade					
Third parties		13,191	13,710	854	681
Amounts owing by subsidiaries	a	-	-	90,843	80,783
		13,191	13,710	91,697	81,464
Less: Allowance for credit losses					
- Third parties		(148)	(148)	-	-
- Subsidiaries		-	-	(41,342)	(38,896)
		13,043	13,562	50,355	42,568
Sundry deposits and other receivables		5,904	6,004	2,203	3,767
Prepayments	e	8,599	8,745	4,840	4,378
		27,546	28,311	57,398	50,713
		190,058	197,332	160,156	141,290

- (a) Amount owing by subsidiaries is in respect of advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for RM9,682,000 (2009: RM9,744,000) which is repayable by 31 December 2011 and is subject to interest at 5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) (cont'd)

In 2009, the non-current amount owing by a subsidiary was 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. During the current financial year, these non current amounts were capitalised as additional investment in a subsidiary. The detail of the additional investment in a subsidiary is disclosed in Note 11 to the financial statements.

(b) AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	2010 RM'000	Group 2009 RM'000
Aggregate costs incurred to date	102,781	115,684
Add: Attributable profits	15,615	23,321
	118,396	139,005
Less: Progress billings	(107,100)	(116,598)
	11,296	22,407
Represented by:		
Amount due from customers for contract works	13,007	35,874
Amount due to customer for contract works (Note 26)	(1,711)	(13,467)
	11,296	22,407

(c) The allowance for credit losses of the Group and the Company is net of bad debts written off amounting to RM306,000 (2009: RM880,000) and RM50,000 (2009: RM131,000) respectively.

(d) The credit terms of trade receivables range from payment in advance to credit period of 90 days (2009: 90 days). Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

(e) Included in prepayments of the Group and the Company are deposits amounting to RM1,388,000 (2009: RM1,094,000) paid to suppliers for the acquisition of plant and machinery and software.

(f) Information on financial risks of trade and other receivables are disclosed in Note 44 to the financial statements.

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(g) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Neither past due nor impaired		134,916	120,723	99,509	86,065
Past due, not impaired					
> 90 days		10,884	9,762	1,209	679
> 120 days		2,654	2,214	752	1,701
> 180 days		1,051	448	792	448
		14,589	12,424	2,753	2,828
Past due and impaired		12,681	11,703	8,182	8,752
		162,186	144,850	110,444	97,645

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. These customers maintain a long working relationship with the Group and the Company and have never defaulted.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired relates to creditworthy debtors who have maintained a long working relationship with the Group and the Company. These customers are consistent revenue contributors to the Group and the Company coupled with consistent payment records and maintain minimal debts exceeding their credit period.

Receivables that are past due and impaired

Trade receivables of the Group and of the Company that are past due and impaired at the end of the reporting period are as follows:

Group	Individually impaired	
	2010 RM'000	2009 RM'000
Trade receivables, gross	12,681	11,703
Less: Allowance for credit losses	(12,681)	(11,703)
	-	-
Company		
Trade receivables, gross	8,182	8,753
Less: Allowance for credit losses	(8,182)	(8,753)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

(h) The reconciliation of movement in the allowance for credit losses are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 January	11,703	11,415	8,753	7,998
Charge for the financial year (Note 31)	2,023	1,831	52	1,017
Write off	(306)	(880)	(50)	(131)
Allowance for credit losses no longer required (Note 31)	(714)	(663)	(573)	(131)
Exchange differences	(25)	-	-	-
At 31 December	12,681	11,703	8,182	8,753

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(i) The currency exposure profile of current trade and other receivables are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	126,568	112,194	141,254	118,855
Singapore Dollar	35,629	59,456	17,740	21,383
Australian Dollar	160	632	2	2
United States Dollar	5,794	1,374	1,051	987
Euro	128	1,045	81	47
Pound Sterling	23	13	26	16
Bahrain Dinar	11,861	16,275	-	-
Omani Rial	5,832	6,272	-	-
Chinese Renminbi	431	60	2	-
Vietnam Dong	3,499	-	-	-
Others	133	11	-	-
	190,058	197,332	160,156	141,290

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

17. OTHER NON-CURRENT ASSETS

	2010 RM'000	Group 2009 RM'000
Deposits paid for performance bonds guaranteed to third parties	-	1,426
Prepaid lease rental	-	399
	-	1,825

Deposits paid for performance bonds were 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost				
Newsprint	205,380	81,837	205,380	81,837
Goods-in-transit	4,417	2,767	4,417	2,767
Other raw materials and consumables	705	910	35	54
	210,502	85,514	209,832	84,658

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits placed with licensed banks	130,462	672,084	62,977	531,413
Cash and bank balances	86,226	101,145	29,912	31,365
	216,688	773,229	92,889	562,778

(a) Deposits of the Group and of the Company have a range of maturity of 5 days to 365 days (2009: 7 days to 365 days).

(b) Information on financial risks of cash and cash equivalents are disclosed in Note 44 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

19. CASH AND CASH EQUIVALENTS (CONT'D)

(c) The currency exposure profile of cash and cash equivalents are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	130,226	595,189	92,803	562,543
Singapore Dollar	29,906	33,170	20	115
Australian Dollar	28,599	113,113	-	-
United States Dollar	6,550	16,985	56	91
Pound Sterling	5	19	5	19
Euro	544	1,155	-	-
Bahrain Dinar	19,758	13,307	-	-
Omani Rial	68	76	-	-
Chinese Renminbi	414	96	5	10
Others	618	119	-	-
	216,688	773,229	92,889	562,778

20. NON-CURRENT ASSETS HELD FOR SALE

	2010
	RM'000
Group and Company	
Reclassified from:	
Long term leasehold land (Note 7)	17,673
Leasehold buildings (Note 7)	2,889
Investment property (Note 8)	3,558
	24,120

Non-current assets held for sale in 2010 are in respect of a leasehold land and building and an investment property where the disposals have yet to be concluded and these disposals are pending either the approval from the relevant authorities or pending finalisation of some clauses of the agreement with the buyer. The disposal of the leasehold land and building is expected to be completed in the financial year ending 31 December 2011. The disposal of the investment property was subsequently completed in January 2011.

21. SHARE CAPITAL AND TREASURY SHARES

	2010 Number of shares '000	Group and Company		2009 Number of shares '000
		RM'000		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 owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary 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.

In 2009, 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.

Of the total 738,563,602 issued and fully paid ordinary shares of RM1.00 each as at 31 December 2010, 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 2010.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

22. RESERVES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable				
Available-for-sale reserve	100	-	-	-
Share option reserve	536	149	-	-
Capital reserve	-	-	1,722	1,722
Foreign exchange translation reserve	20,721	24,771	-	-
	21,357	24,920	1,722	1,722
Distributable				
Retained earnings	248,526	490,847	229,236	449,353
	269,883	515,767	230,958	451,075

(a) Available-for-sale reserve

Gains or losses arising from financial assets classified from available-for-sale.

(b) Share option reserve

The Group's share option reserve is in respect of 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.

(c) Capital reserves

The Company's capital reserve represents the surplus on revaluation of certain leasehold land and building in 1983.

(d) 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.

22. RESERVES (CONT'D)**(e) 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.

Dividend payments out of the Company's retained earnings shall not be subject to any tax at the level of its shareholders. The Company has balance in the Section 108 account to frank the distribution of dividends to its shareholders up to RM413,600 out of its retained earnings.

(f) Supplementary information on realised and unrealised profits or losses in retained earnings

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group RM'000	Company RM'000
Total retained earnings of Star Publications (Malaysia) Berhad and its subsidiaries:		
- Realised	298,660	306,031
- Unrealised	(76,799)	(76,795)
	221,861	229,236
Total share of retained earnings from associate:		
- Realised	(2,461)	-
- Unrealised	366	-
Total share of retained earnings from jointly controlled entities:		
- Realised	(8,683)	-
- Unrealised	-	-
	211,083	229,236
Consolidation adjustments	37,443	-
Total retained earnings as at 31 December 2010	248,526	229,236

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

23. RETIREMENT BENEFITS

	Group and Company	
	2010	2009
	RM'000	RM'000
Balance as at 1 January	-	500
Payments made during the financial year	-	(500)
Balance as at 31 December	-	-

Provision for retirement benefits were related to benefit given to senior management based on the number of years of service and last drawn salaries.

24. BORROWINGS

		Group	
		2010	2009
	Note	RM'000	RM'000
Current liabilities			
Bank loan (secured)		1,735	2,439
Finance lease liabilities	25	963	971
		2,698	3,410
Non-current liabilities			
Bank loan (secured)		33,887	36,393
Finance lease liabilities	25	8,179	9,162
		42,066	45,555
Total borrowings			
Bank loan (secured)		35,622	38,832
Finance lease liabilities	25	9,142	10,133
		44,764	48,965

24. BORROWINGS (CONT'D)

(a) The borrowings are repayable over the following periods:

	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000
Group 2010						
Bank loan (secured)	2012	35,622	1,735	33,887	-	-
Finance lease liabilities	2019	9,142	963	1,001	3,303	3,875
		44,764	2,698	34,888	3,303	3,875
Group 2009						
Bank loan (secured)	2012	38,832	2,439	1,806	34,587	-
Finance lease liabilities	2019	10,133	971	966	3,142	5,054
		48,965	3,410	2,772	37,729	5,054

(b) The currency exposure profiles of borrowings are as follows:

	Group	
	2010 RM'000	2009 RM'000
Ringgit Malaysia	8,112	8,946
Singapore Dollar	36,652	40,019
	44,764	48,965

(c) One of the secured bank loans of RM33,887,000 (2009: RM34,587,000) of the Group is secured by negative pledge over all the present and future assets of Laviani Pte. Ltd. including quoted shares of Cityneon Holdings Limited held by Laviani Pte. Ltd.. The Company also provides guarantee and indemnity of SGD14,000,000 together with interest accruing and all monies payable under the facility.

The other secured bank loan of RM1,735,000 (2009: 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 44 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

25. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	2010 RM'000	Group 2009 RM'000
Minimum lease payments:		
- not later than one (1) year		
Hire purchase	215	218
Other finance leases	1,296	1,360
	1,511	1,578
- later than one (1) year but not later than five (5) years		
Hire purchase	703	762
Other finance leases	5,161	5,167
	5,864	5,929
- later than five (5) years		
Hire purchase	336	515
Other finance leases	3,956	5,247
	4,292	5,762
Total minimum lease payments	11,667	13,269
Less: Future interest charges		
- Hire purchase	(176)	(234)
- Other finance leases	(2,349)	(2,902)
	(2,525)	(3,136)
Present value of lease payments	9,142	10,133
Present value of lease payments is represented by:		
Hire purchase	1,078	1,261
Other finance leases	8,064	8,872
	9,142	10,133

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

25. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONT'D)

	Group	
	2010 RM'000	2009 RM'000
Repayable as follows:		
Current liabilities		
- not later than one (1) year		
- Hire purchase	168	163
- Other finance leases	795	808
Total current liabilities	963	971
Non-current liabilities		
- later than one (1) year and not later than five (5) years		
- Hire purchase	589	618
- Other finance leases	3,715	3,490
	4,304	4,108
- later than five (5) years		
- Hire purchase	320	480
- Other finance leases	3,555	4,574
	3,875	5,054
Total non-current liabilities	8,179	9,162
	9,142	10,133

Lease terms range from two (2) 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 44 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables				
Third parties	15,931	17,708	1,812	1,826
Subsidiaries	-	-	3,582	3,365
Amount due to contract customers (Note 16(b))	1,711	13,467	-	-
	17,642	31,175	5,394	5,191
Other payables				
Amounts owing to subsidiaries	-	-	51,084	3,466
Other payables	16,765	23,175	7,369	6,606
Deposits from agents, subscribers and customers	3,992	2,781	3,769	2,737
Accruals	96,868	96,501	65,113	57,130
Provision	3,588	3,503	2,666	2,517
	121,213	125,960	130,001	72,456
	138,855	157,135	135,395	77,647

- (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 (2009: 1 to 4 months).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (c) Included in other payables of the Group is amount owing to a Director of a subsidiary amounting to RM424,000 (2009: RM Nil) and dividend payable to the shareholders of a subsidiary amounting to RM1,027,000 (2009: RM Nil).
- (d) Information on financial risks of trade and other payables are disclosed in Note 44 to the financial statements.
- (e) Included in the accruals of the Group and the Company are payroll related accruals amounting to RM66,697,000 (2009: RM55,029,000) and RM47,945,000 (2009: RM39,395,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

26. TRADE AND OTHER PAYABLES (CONT'D)

(f) The details of provision in respect of unutilised staff leave carried forward is as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Balance as at 1 January	3,503	3,403	2,517	2,653
Provision during the financial year	692	434	347	-
Utilised during the financial year	(436)	(344)	(198)	(136)
Overprovision in prior years	(151)	-	-	-
Exchange differences	(20)	10	-	-
Balance as at 31 December	3,588	3,503	2,666	2,517

(g) The currency exposure profile of trade and other payables are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	91,183	78,699	85,711	75,978
Singapore Dollar	30,827	61,068	1,186	1,505
Australian Dollar	82	218	48,444	1
United States Dollar	2,222	7,087	54	163
Euro	27	589	*	-
Bahrain Dinar	12,536	8,737	-	-
Chinese Renminbi	1,397	582	-	-
Others	581	155	-	-
	138,855	157,135	135,395	77,647

* Less than RM1,000

27. MEDIUM TERM NOTES AND COMMERCIAL PAPER

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 were unsecured and had a tenure of five (5) years from the date of first issuance. The Medium Term Notes of RM150 million and RM100 million matured and were fully repaid on 26 February 2010 and 27 August 2010 respectively.

On 11 November 2010, the Company issued a Commercial Paper for RM52,000,000 of which the Company received RM50,102,000. Upon maturity on 11 November 2011, the Company is required to fully repay the principal sum of RM50,102,000 and RM1,898,000 being the interest at 3.79% per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

27. MEDIUM TERM NOTES AND COMMERCIAL PAPER (CONT'D)

The carrying amount of the liability component of the Commercial Paper as at the end of the financial year is as follows:

	Group and Company 2010 RM'000	2009 RM'000
Liability component at initial recognition	50,102	-
Interest expense recognised in profit or loss:		
At 1 January	-	-
Recognised during the financial year (Note 30)	265	-
At 31 December	265	-
Liability component at 31 December	50,367	-

Information on financial risks of Medium Term Notes and Commercial Paper are disclosed in Note 44 to the financial statements.

The Medium Term Notes and Commercial Paper are denominated in RM.

28. REVENUE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Publication, printing and distribution of newspapers and magazines	800,468	719,582	802,279	720,471
Broadcasting	45,133	31,178	-	-
Event management, exhibition services and thematic	212,092	221,455	-	-
Others	4,007	1,706	-	-
	1,061,700	973,921	802,279	720,471

29. COST OF SALES AND SERVICES

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Publication, printing and distribution of newspapers and magazines	266,305	277,547	266,305	277,547
Event management, exhibition services and thematic	144,956	164,651	-	-
Others	1,180	738	-	-
	412,441	442,936	266,305	277,547

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

30. FINANCE COSTS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expenses:				
- Medium Term Note	5,059	13,950	5,059	13,950
- Commercial Paper (Note 27)	265	-	265	-
- Finance leases	607	619	-	-
- Bank loans	970	1,084	-	-
	6,901	15,653	5,324	13,950

31. PROFIT BEFORE TAX

Profit before tax is arrived at:

	Note	Group		Company	
		2010 RM'000	2009 (Restated) RM'000	2010 RM'000	2009 (Restated) RM'000
After charging:					
Auditors' remuneration:					
- Statutory		587	569	162	147
- Under provision in prior year		-	15	-	-
- Non-statutory		58	8	58	8
Amortisation of radio licence included in administrative and other expenses	10(b)	425	1,707	-	-
Amortisation of club membership	10(c)	269	270	-	-
Allowance of credit losses:					
- third parties	16(h)	2,023	1,831	52	1,017
- subsidiaries		-	-	2,446	8,529
Bad debts written off		170	6	-	6
Depreciation of property, plant and equipment	7	47,625	47,961	42,137	42,694
Depreciation of investment properties	8	610	391	610	391
Directors' remuneration payable to					
- Directors of the Company					
- fees		550	338	550	338
- other emoluments		12,783	9,004	12,783	9,004
- Directors of subsidiaries					
- fees		307	278	-	-
- other emoluments		8,756	7,180	-	-
Foreign exchange losses					
- realised		1,913	625	134	-
- unrealised		-	-	2,424	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

31. PROFIT BEFORE TAX (CONT'D)

Profit before tax is arrived at: (cont'd)

		Group		Company	
		2010	2009	2010	2009
			(Restated)		(Restated)
	Note	RM'000	RM'000	RM'000	RM'000
After charging: (cont'd)					
Impairment losses included in administrative and other expenses on:					
- goodwill	10(a)	602	-	-	-
- investments in subsidiaries	11	-	-	-	1,680
- investment in an associate	12	-	-	2,095	-
- investment in jointly controlled entity	13	-	-	8,680	265
Late penalty charges		-	2	-	-
Loss on disposal of property, plant and equipment		15	553	-	534
Loss on partial disposal of investment in subsidiary		-	626	-	-
Loss on disposal of investment in jointly controlled entity		42	-	64	-
Loss on voluntary liquidation of subsidiary		-	16	-	-
Operating lease rental		124	256	124	256
Property, plant and equipment written off		1,254	808	1,197	703
Provision for unutilised staff leave	26(f)	541	434	347	-
Rental of premises		5,186	5,296	748	782
And crediting:					
Allowance for credit losses no longer required	16(h)	714	663	573	131
Dividend income		-	-	39,455	-
Fair value gain on other investments		1,486	-	1,486	-
Foreign exchange gain					
- realised		-	3,527	-	3,527
Gain on disposal of property, plant and equipment		179	20	179	-
Gain on voluntary liquidation of subsidiary		-	-	-	96
Interest income		13,533	14,694	7,742	9,761
Investment income		3,741	3,073	3,741	3,073
Rental income:					
- investment properties	8	1,983	2,229	1,983	2,229
- others		339	379	-	-

The estimated money value of benefits-in-kind not included in the above received by Directors of the Company was RM1,019,000 (2009: RM846,000) for the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

32. TAX EXPENSE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current year tax expense based on profit for the financial year				
Malaysia income tax	67,070	45,021	64,809	43,992
Foreign income tax	2,662	2,003	-	-
	69,732	47,024	64,809	43,992
Under/(Over) provision in prior years				
Malaysia income tax	621	(2,782)	949	(2,489)
Foreign income tax	333	(73)	-	-
	954	(2,855)	949	(2,489)
	70,686	44,169	65,758	41,503
Deferred tax (Note 15)				
Relating to origination and reversal of temporary differences	(1,732)	3,664	(1,820)	4,027
(Over)/Under provision in prior years	(315)	(311)	(268)	7,332
	(2,047)	3,353	(2,088)	11,359
Tax expense	68,639	47,522	63,670	52,862

The numerical reconciliation between the average effective tax and the tax based on applicable tax rate are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax	258,807	197,155	270,781	180,851
Taxation at Malaysian statutory rate of 25% (2009: 25%)	64,702	49,289	67,695	45,213
Expenses not deductible for tax purposes	5,699	4,037	6,093	3,718
Income not subject to tax	(1,403)	(985)	(10,799)	(768)
Deferred tax assets not recognised	1,200	1,401	-	-
Tax incentives	(14)	(153)	-	(144)
Utilisation of previously unrecognised deferred tax assets	(18)	(812)	-	-
Brought forward to next page	70,166	52,777	62,989	48,019

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

32. TAX EXPENSE (CONT'D)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Brought forward from previous page	70,166	52,777	62,989	48,019
Difference in tax rates in foreign jurisdiction	(2,166)	(2,073)	-	-
Effect in changes of tax rate on deferred tax balance	-	(16)	-	-
	68,000	50,688	62,989	48,019
Under/(Over) provision in prior years				
- corporate tax	954	(2,855)	949	(2,489)
- deferred tax	(315)	(311)	(268)	7,332
Tax expense	68,639	47,522	63,670	52,862

The Malaysian income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated taxable profits for the fiscal year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

33. 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 equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2010	2009
Profit attributable to equity holders of the parent (RM'000)	184,941	144,711
Weighted average number of ordinary shares in issue ('000)	738,564	738,564
Weighted average number of treasury shares held ('000)	(70)	(49)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	738,494	738,515
Basic earnings per ordinary share (sen)	25.04	19.59

Diluted earnings per ordinary share

Diluted earnings per ordinary share is not presented as there is no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

34. 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
2010			
2010 Special dividend paid	47.9	265,304	35.9
2010 Special dividend paid	4.7	34,709	4.7
2010 First interim dividend paid	7.5	41,540	5.6
2010 Special interim dividend paid	3.0	22,155	3.0
2009 Second interim dividend paid	7.5	41,540	5.6
2009 Special interim dividend paid	3.0	22,155	3.0
	73.6	427,403	57.8
2009			
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
	21.0	127,396	17.2

Subsequent to the financial year, on 23 February 2011, the Directors declared a second interim dividend of 6.0 sen per ordinary share, single tier, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM44,309,604 and RM22,154,802 respectively in respect of the financial year ended 31 December 2010. The dividends are payable on 19 April 2011 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2011.

35. ACQUISITIONS OF SUBSIDIARIES

- (a) On 15 March 2010, the Company acquired the entire issued and paid-up ordinary share capital of Acacia Forecast (M) Sdn. Bhd. ("AFSB"), a company incorporated in Malaysia, which comprised of 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

The acquisition of AFSB has contributed the following results to the Group during the financial year:

	2010 RM'000
Revenue	-
Loss for the financial year	(2)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

35. ACQUISITIONS OF SUBSIDIARIES (CONT'D)

(a) (cont'd)

If the acquisition had occurred on 1 January 2010, AFSB'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 recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Receivables	2	2
Cash	*	*
Total cost of acquisition	2	2

The cash outflow on acquisition is as follows:

	2010 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

(b) In 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 was completed on 6 May 2009.

The acquisition of JustJobs has contributed the following results to the Group in the previous financial year:

	2009 RM'000
Revenue	-
Loss for the financial year	(2)

35. ACQUISITIONS OF SUBSIDIARIES (CONT'D)

(b) (cont'd)

The summary of effects on acquisition of the subsidiary in the previous financial year was as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Receivables	2	2
Cash	*	*
Total cost of acquisition	2	2

The cash outflow on acquisition was as follows:

	2009 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

(c) In 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 was completed on 10 September 2009.

The incorporation of SMSB has contributed the following results to the Group in the previous financial year:

	2009 RM'000
Revenue	-
Loss for the financial year	(2)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

35. 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 recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Receivables	10	10
Cash	*	*
Total cost of acquisition	10	10

* represents RM2.00

The cash outflow on acquisition was as follows:

	2009 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

36. DISPOSAL OF A JOINTLY CONTROLLED ENTITY

On 2 September 2010, the Company disposed off its entire 35% equity interest in one of its jointly controlled entities, LLL-Lifelong Learning Network Sdn. Bhd. for a cash consideration of RM21,000. The loss on disposal of the jointly controlled entity during the financial year is as follows:

Group	2010 RM'000
Cost of investment	350
Share of post-acquisition reserves	(287)
Proceeds from disposal	63 (21)
Loss on disposal	42

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

36. DISPOSAL OF A JOINTLY CONTROLLED ENTITY (CONT'D)

Company	2010 RM'000
Cost of investment	350
Impairment loss	(265)
	85
Proceeds from disposal	(21)
	64
Loss on disposal	

37. LIQUIDATION OF A SUBSIDIARY

In 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 liquidation was completed on 8 September 2009.

The fair value of assets and liabilities of the subsidiary liquidated were as follows:

	2009 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 2010 (Cont'd)

38. 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 a 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 entity as disclosed in Note 13 to the financial statements;
 - (iv) Companies in which certain Directors have financial interests; and
 - (v) Key management personnel who 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 Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Subsidiaries				
Sales of advertisement space	-	-	1,812	890
Purchase of advertisement space	-	-	-	51
Purchase of airtime	-	-	2,607	632
Advertisement commission paid/payable	-	-	1,637	1,404
Purchase of property, plant and equipment	-	-	2	374
Event fees	-	-	781	403
Disposal of property, plant and equipment	-	-	6	501
Training fees paid/payable	-	-	496	583
Interest received/receivable	-	-	477	227
Management fees	-	-	285	-
Jointly controlled entities				
Sales of advertisement space	1	3	1	3

38. RELATED PARTIES TRANSACTIONS (CONT'D)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Other related parties				
Sales of advertisement space	1,996	1,456	1,996	1,456

The related parties transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Balances of the above transactions with subsidiaries are as disclosed in Notes 16 and 26 to the financial statements.

- (c) Compensation of key management personnel

The remuneration of the Directors and other key management personnel during the financial year was as follows:

	Group and Company	
	2010	2009
	RM'000	RM'000
Short term employee benefits	13,437	9,851
Contributions to defined contribution plans	1,507	1,144
	14,944	10,995

39. CONTINGENT LIABILITIES**Group**

There are several libel suits, which involve claims against the Group and the Company of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting with their legal counsel for litigation cases and internal and external experts to the Group and 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.

The subsidiary, Cityneon Group, has given tender bonds and guarantees through banks to its landlord for office rental deposit amounting to RM1,335,000 (2009: RM1,363,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM16,329,000 (2009: RM26,504,000). The tender bonds and guarantees are secured by bank guarantees amounting to RM1,747,000 (2009: RM2,034,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

40.COMMITMENTS

(a) Operating lease commitments

The Group as a lessee

Computer equipment and office buildings under various operating leases in 2010 and 2009 are as follows:

	2010 RM'000	Group 2009 RM'000
Not later than one (1) year	2,242	1,457
Later than one (1) year and not later than five (5) years	8,609	-
	10,851	1,457

(b) Capital commitments

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Authorised capital expenditure not provided for in the financial statements				
- contracted	12,422	15,496	12,422	15,397
- not contracted	7,726	9,153	7,726	9,153
	20,148	24,649	20,148	24,550
Analysed as follows:				
- Building	1,296	4,308	1,296	4,308
- Plant and equipment	8,852	10,341	8,852	10,242
- Investment	10,000	10,000	10,000	10,000
	20,148	24,649	20,148	24,550

41. EMPLOYEE BENEFITS

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	183,088	157,089	133,329	116,085
Defined contribution retirement plans	21,430	19,002	17,279	15,578
Others	18,794	15,246	17,151	14,378
	223,312	191,337	167,759	146,041

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM21,539,000 (2009: RM16,184,000) and RM12,783,000 (2009: RM9,004,000) respectively.

42. OPERATING SEGMENTS

Star Publications (Malaysia) Berhad and its subsidiaries in Malaysia are principally engaged in publication of print and electronic media while its subsidiaries in Singapore are principally engaged in the provision of event organising management and provision of design, build and construction of exhibition related services.

The Group has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(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 construction of exhibitions, landscapes, water features, pavilions, thematic leisure and entertainment outlets, including rental of reuseable modules, furnishings and furnitures.

Other operating segments that do not constitute a reportable segment comprise operations related to the provision of human capital development including training and consultancy, investment holding and investment of assets held.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs.

Inter-segment revenue is priced along the same lines to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

42. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

2010	Print and electronic media RM'000	Event, exhibition, interior and thematic RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
Sales to external customers	846,931	212,092	2,677	-	1,061,700
Inter-segment sales	6,888	964	496	(8,348)	-
Total revenue	853,819	213,056	3,173	(8,348)	1,061,700
Results					
Segment results	242,964	12,588	(777)	-	254,775
Finance costs	(5,877)	(309)	(715)	-	(6,901)
Interest income	7,933	344	5,256	-	13,533
Investment income	3,741	-	-	-	3,741
Share of loss of an associate	(1,767)	-	-	-	(1,767)
Share of losses of jointly controlled entities	(4,574)	-	-	-	(4,574)
Profit before tax					258,807
Tax expense					(68,639)
Profit for the financial year					190,168
Assets					
Segment assets	1,134,710	160,546	46,981	-	1,342,237
Investment in an associate	10,144	-	-	-	10,144
Investment in jointly controlled entities	11,322	-	-	-	11,322
Total assets					1,363,703
Liabilities					
Segment liabilities	240,374	52,700	35,072	-	328,146
Other segment information					
Capital expenditure	20,822	6,965	22	-	27,809
Depreciation	45,044	3,126	65	-	48,235
Amortisation	425	269	-	-	694
Impairment losses on goodwill	-	602	-	-	602
Non-cash expenses other than depreciation and amortisation	2,815	1,399	15	-	4,229

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

42. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments: (cont'd)

2009	Print and electronic media RM'000	Event, exhibition, interior and thematic RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
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
Results					
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)	-	-	-	(328)
Share of losses of jointly controlled entities	(4,340)	-	-	-	(4,340)
Profit before tax					197,155
Tax expense					(47,522)
Profit for the financial year					149,633
Assets					
Segment assets	1,484,600	187,418	130,463	-	1,802,481
Investment in an associate	11,911	-	-	-	11,911
Investment in jointly controlled entities	15,960	-	-	-	15,960
Total assets					1,830,352
Liabilities					
Segment liabilities	425,937	85,577	35,954	-	547,468
Other segment information					
Capital expenditure	35,344	1,108	87	-	36,539
Depreciation, restated	45,135	3,127	90	-	48,352
Amortisation, restated	1,707	270	-	-	1,977
Non-cash expenses other than depreciation and amortisation	3,251	156	(7,561)	-	(4,154)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

42. OPERATING SEGMENTS (CONT'D)

Geographical information

The Group operates mainly in Malaysia and Singapore. In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sales transactions originated.

Segment assets are based on the geographical location of the Group's assets.

Segment revenue and segment assets information based on the geographical location are as follows:

	Revenue		Segment assets	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	853,496	755,967	1,164,974	1,550,410
Singapore	95,399	135,875	105,664	112,886
Others	112,805	82,079	93,065	167,056
	1,061,700	973,921	1,363,703	1,830,352

43. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure on an annual basis and the Directors consider the cost of capital and the risks associated with each class of the capital. The Group manages its capital structure actively and makes adjustments to address changes in the economic environment, regulatory requirements and risk characteristics in the business operations of the Group. These initiatives include dividend payments, Share Buy-Backs, issuance of new debts, redemption of debts and other adjustments in light of economic conditions.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

There are no changes made on the capital management, policies and procedures of the Group and the Company during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Capital management (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Loans and borrowings	95,131	298,965	50,367	250,000
Less: Cash and bank balances (Note 19)	(86,226)	(101,145)	(29,912)	(31,365)
Net debt	8,905	197,820	20,455	218,635
Total capital	1,035,557	1,282,884	969,297	1,189,414
Gearing ratio	0.9%	15.4%	2.1%	18.4%

(b) Financial instruments

Certain comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

(i) Categories of financial instruments

Group	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Available- for-sale RM'000	Held to maturity RM'000	Total RM'000
2010						
Financial assets						
Other investments	14	-	28,007	6,255	15,000	49,262
Trade and other receivables	16	190,058	-	-	-	190,058
		190,058	28,007	6,255	15,000	239,320
Cash and cash equivalents	19	-	-	-	-	216,688
		190,058	28,007	6,255	15,000	456,008

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

(i) Categories of financial instruments (cont'd)

Group	Note		Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
2010					
Financial liabilities					
Borrowings			95,131	-	95,131
Trade and other payables	26		138,855	-	138,855
			233,986	-	233,986

Company	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
2010					
Financial assets					
Other investments	14	-	28,007	15,000	43,007
Trade and other receivables	16	160,156	-	-	160,156
		160,156	28,007	15,000	203,163
Cash and cash equivalents	19	-	-	-	92,889
		160,156	28,007	15,000	296,052

Company	Note		Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
2010					
Financial liabilities					
Borrowings	27		50,367	-	50,367
Trade and other payables	26		135,395	-	135,395
			185,762	-	185,762

43. FINANCIAL INSTRUMENTS (CONT'D)**(c) Fair values of financial instruments**

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2010				
Recognised				
Financial assets				
4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	5,000	5,106	5,000	5,106
4.00% p.a. Malaysian quoted investment funds due on 30 June 2012	5,000	5,339	5,000	5,339
5.00% p.a. Malaysian quoted investment funds due on 20 May 2011	5,000	5,002	5,000	5,002
Unrecognised				
Contingent liabilities				
- Litigation	-	2,343	-	2,343
- Fair value on bank guarantee	-	-	-	508
2009				
Recognised				
Financial assets				
Quoted investment funds in Malaysia	41,137	41,312	41,137	41,312
Quoted bonds in Australia	6,215	6,181	-	-
Unrecognised				
Contingent liabilities				
- Litigation	-	2,399	-	2,399
- Fair value on bank guarantee	-	-	-	519

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Determination of fair value

Methods and assumptions used to estimate fair value

- i. Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and short-term borrowings, Medium Term Notes, Commercial Paper and finance lease liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair value of these borrowings has been determined using discounted cash flows technique. The discount rates used are based on the 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. Quoted investment funds and bonds

The fair value of quoted investments is the exchange quoted market bid prices at the close of the business at the end of the reporting period.

(e) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. FINANCIAL INSTRUMENTS (CONT'D)**(e) Fair value hierarchy (cont'd)**

As at 31 December 2010, the Group and the Company held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value

	31 December 2010 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Financial assets at fair value through profit or loss				
- Quoted investment funds	28,007	28,007	-	-
Available-for-sale financial assets				
- Quoted bonds	6,255	6,255	-	-
	34,262	34,262	-	-
Company				
Financial assets at fair value through profit or loss				
- Quoted investment funds	28,007	28,007	-	-

During the reporting period ended 31 December 2010, there were no transfers between Level 1 and Level 2 fair value measurements.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity risk, interest rate risk, credit risk and market price risk. Information on the management of the related exposures is detailed below.

The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain exposures. It does not trade in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 and the Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currencies balance amount to RM86,462,000 (2009: RM178,040,000) for the Group and RM86,000 (2009: RM235,000) for the Company.

The Group is also exposed to foreign currency exchange risk in respect of its overseas investments. The Group does not hedge this exposure with foreign currency borrowings except for bank loan of RM33,887,000 (2009: RM34,587,000), which is denominated in Singapore Dollar and was used to part finance the acquisition of Cityneon and its subsidiaries.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the United States Dollars ("USD"), Euro ("EUR"), Bahrain Dinar ("BHD"), Omani Rial ("OMR"), Singapore Dollars ("SGD") and Australia Dollars ("AUD") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Group 2010 RM'000 Profit net of tax	Company 2010 RM'000 Profit net of tax
USD/RM - strengthen by 3%	-2,189	-1,956
- weaken by 3%	+2,189	+1,956
EUR/RM - strengthen by 3%	+14	-
- weaken by 3%	-14	-
BHD/RM - strengthen by 3%	+485	-
- weaken by 3%	-485	-
OMR/RM - strengthen by 3%	+147	-
- weaken by 3%	-147	-
SGD/RM - strengthen by 3%	+402	+402
- weaken by 3%	-402	-402
AUD/RM - strengthen by 3%	-1,090	-1,090
- weaken by 3%	+1,090	+1,090

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(ii) Credit risk**

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

As at the end of the reporting period, the Company has significant exposure in respect of amount owing by subsidiaries but there were no significant concentration of credit risk for the Group.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period are as follows:

	2010		Group		2009
	RM'000	% of total	RM'000	% of total	
By country:					
Malaysia	117,367	72%	101,098	60%	
Singapore	34,359	21%	55,320	33%	
Middle East	10,492	7%	12,441	7%	
China	292	*	162	*	
Asia Pacific (including Australia)	2	*	-	-	
	162,512	100%	169,021	100%	
By industry sectors:					
Print and electronic media	113,771	70%	97,623	58%	
Event, exhibition, interior and thematic	48,280	30%	70,970	42%	
Others	461	*	428	*	
	162,512	100%	169,021	100%	

* Amount is less than 1%

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 16. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired and are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

(iii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

The Group is actively managing its operating cash flows 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.

Analysis of financial instruments by remaining contractual maturities.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Note	2010			Total RM'000
		On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	
Financial liabilities					
Trade and other payables	26	138,855	-	-	138,855
Loans and borrowings		53,065	38,191	3,875	95,131
Total undiscounted financial liabilities		191,920	38,191	3,875	233,986

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(iii) Liquidity and cash flow risk (cont'd)**

Company	Note	2010			Total RM'000
		On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	
Financial liabilities					
Trade and other payables	26	135,395	-	-	135,395
Loans and borrowings	27	50,367	-	-	50,367
Total undiscounted financial liabilities		185,762	-	-	185,762

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group borrows in the desired currencies at both, fixed and floating rates of interest.

Sensitivity analysis for interest rate risk

At 31 December 2010, if interest rates at the date had been 50 basis points lower with all other variables held constant, post-tax profit for the year would have been RM151,000 (2009: RM207,000) higher, arising mainly as a result of lower interest expense on variable borrowings. If interest rates had been 50 basis points higher, with all other variables held constant, post-tax profit would have been RM151,000 (2009: RM207,000) lower, arising mainly as a result of higher interest expense on variable borrowings. Profit is more sensitive to interest rate decreases than increases because of borrowings with capped interest rates. The sensitivity is higher in 2009 than in 2010 because of a decrease in outstanding borrowings that has occurred. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

44. 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 end of the reporting period 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.

Group	Note	Average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 31 December 2010									
Fixed rates									
Deposits placed with licensed banks	19	3.17	130,462	-	-	-	-	-	130,462
Finance lease liabilities	25	6.23	(963)	(1,001)	(1,034)	(1,100)	(1,169)	(3,875)	(9,142)
Commercial Paper	27	3.79	(50,367)	-	-	-	-	-	(50,367)
Floating rate									
Bank loan (secured)	24	2.24	(1,735)	(33,887)	-	-	-	-	(35,622)

As at 31 December 2009									
Fixed rates									
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	27	5.59	(250,000)	-	-	-	-	-	(250,000)
Floating rate									
Bank loan (secured)	24	2.39	(2,439)	(1,806)	(34,587)	-	-	-	(38,832)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Interest rate risk (cont'd)

Company	Note	Average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 31 December 2010									
Fixed rates									
Amount owing by a subsidiary	16 (a)	5.00	9,682	-	-	-	-	-	9,682
Deposits placed with licensed banks	19	2.85	62,977	-	-	-	-	-	62,977
Commercial Paper	27	3.79	(50,367)	-	-	-	-	-	(50,367)

**As at
31 December
2009**

Fixed rates

Amount owing by 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	27	5.59	(250,000)	-	-	-	-	-	(250,000)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to price risks arising from quoted investments held by the Group. They are held for strategic rather than trading purposes. The Group does not actively trade these investments. These instruments are classified as financial assets designated at fair value through profit or loss, available-for-sale and held to maturity financial assets.

To manage its price risk arising from investments in investment funds and bonds, the Group diversifies its portfolio in accordance with the limits set by the Group.

Sensitivity analysis for price risk

As the Group and the Company invests in a portfolio of investments with a diversified risk base, the Group and Company are not significantly exposed to price fluctuations of a single derivative within its portfolio of investments. As a result, the Directors of the Group and the Company are of the view that the effects of a sensitivity analysis on the market price risk for its quoted investments will not have a significant impact on the earnings of the Group and the Company.

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) 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.

As at the date of this report, the project has yet to commence as certain terms are in the midst of renegotiation with the Developer.

- (b) On 15 March 2010, the Company announced that it has acquired 2 ordinary shares of RM1.00 each fully paid, representing 100% of the issued and paid-up share capital of Acacia Forecast (M) Sdn. Bhd., a dormant shelf company incorporated in Malaysia, for a cash consideration of RM2.00 (see Note 35(a) to the financial statements).
- (c) On 15 March 2010, Laviani Pte. Ltd. ("Laviani"), a wholly-owned subsidiary of the Company increased its share capital from SGD1.00 to SGD11,750,412. The new allotment of SGD11,750,411 were fully subscribed by the Company by converting the amount owing by Laviani to equity. There are no changes in the stakeholding of the Company subsequent to this allotment and Laviani remains a wholly-owned subsidiary of the Company (see Note 11 to the financial statements).

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (d) On 9 April 2010, Cityneon Holdings Limited ("Cityneon"), a subsidiary incorporated in Singapore announced that it has acquired the remaining 49% interest comprising 12,250 ordinary shares, fully paid in the capital of Cityneon-World Project Pte. Ltd. ("CWP"), thereby increasing the Company's interest in CWP from 51% to 100%. The consideration of SGD10,000 is based on a willing-buyer willing-seller basis and are internally funded. CWP is incorporated in Singapore and its principal activities involve provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs. Subsequently, on 22 April 2010, CWP changed its name to Wonderful World Pte. Ltd.. Subsequently, on 29 April 2010, CWP included advertising, public relations, media placement and provision of related services as part of its principal activities (see Note 11 to the financial statements).
- (e) On 10 May 2010, Laviani, a wholly-owned subsidiary of the Company increased its equity interest in Cityneon from 59.08% to 64.08% by the acquisition of additional 4,426,270 shares of Cityneon for a total consideration of SGD2,700,025 (see Note 11 to the financial statements).
- (f) On 28 June 2010, an indirect wholly-owned subsidiary of the Company, StarProperty Sdn. Bhd. ("StarProperty") increased its authorised share capital from RM100,000 to RM5,000,000 by the creation of 4,900,000 ordinary shares of RM1.00 each. StarProperty also increased its paid-up share capital from RM2 to RM1,000,000 by the allotment of 999,998 shares at RM1.00 each. The new shares allotted were fully subscribed by StarProperty's immediate holding company, Star MediaWorks Sdn. Bhd., a wholly-owned subsidiary of the Company.
- (g) On 9 July 2010, Cityneon announced the incorporation of a wholly-beneficially-owned subsidiary in Indonesia, PT. Wonderful World Marketing Services Indonesia ("WWMSI"). WWMSI has an issued and paid-up share capital of 2,500 ordinary shares of USD100 each. The principal activities of WWMSI is provision of management consultancy, consultancy services on thematic, interior and project management and consultancy services on tourism (see Note 11 to the financial statements).
- (h) In September 2010, the Company disposed its entire 35% equity interest in one of its jointly controlled entities, LLL-Lifelong Learning Network Sdn. Bhd. for a cash consideration of RM21,000 (see Note 36 to the financial statements).
- (i) On 20 September 2010, Cityneon incorporated a new wholly-owned subsidiary in Singapore, Cityneon Management Services Pte. Ltd. ("CMS"). CMS has an issued and paid-up capital of SGD2.00 comprising 2 shares of SGD1.00 each. The principal activities of CMS is provision of management and administration services (see Note 11 to the financial statements).

46. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 17 March 2011, Cityneon incorporated a wholly-owned subsidiary, Cityneon Vietnam Company Limited ("CVL"), in Vietnam. The principal activities are to provide project management services (other than for construction) and to engage in the installation, assembly, building completion and finishing works. CVL has a charter capital equivalent to USD50,000.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

47. COMPARATIVES

Certain figures as at 1 January 2009 have been restated due to the effects arising from the adoption of Amendment to FRS 117 *Leases*, which has resulted in retrospective adjustments. Long term leasehold land held by the Group and Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment - leasehold land.

Group and Company	As previously reported RM'000	Effects on adoption of Amendment to FRS 117 RM'000	As restated RM'000
As at 1 January 2009			
<u>Statement of Financial Position</u>			
Property, plant and equipment			
- long term leasehold land	-	43,415	43,415
Prepaid lease payment for land	43,415	(43,415)	-
For the financial year ended 31 December 2009			
	As previously reported RM'000	Effects on adoption of Amendment to FRS 117 RM'000	As restated RM'000
<u>Statement of Comprehensive Income</u>			
Depreciation of property, plant and equipment - long term leasehold land	-	614	614
Amortisation of prepaid lease payment for land	614	(614)	-
As at 31 December 2009			
<u>Statement of Financial Position</u>			
Property, plant and equipment			
- long term leasehold land	-	42,801	42,801
Prepaid lease payment for land	42,801	(42,801)	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

48. OPENING STATEMENT OF FINANCIAL POSITION

The opening statement of financial position of the Group as at 1 January 2010, primarily reflects the effects arising from the adoption of FRS 139 as follows:

Group	As previously reported RM'000	Effects on adoption of FRS 139 RM'000	As restated RM'000
<u>Statement of Financial Position</u>			
ASSETS			
Non-current assets			
Property, plant and equipment	622,787	-	622,787
Investment properties	20,093	-	20,093
Intangible assets	52,331	-	52,331
Investment in an associate	11,911	-	11,911
Investments in jointly controlled entities	15,960	-	15,960
Other investments	47,352	(47,352)	-
Financial assets at fair value through profit or loss	-	26,312	26,312
Financial assets held to maturity	-	15,000	15,000
Available-for-sale financial assets	-	6,181	6,181
Deferred tax assets	632	-	632
Other non-current assets	1,825	-	1,825
Total non-current assets	772,891	141	773,032
Current assets			
Inventories	85,514	-	85,514
Trade and other receivables	197,332	-	197,332
Current tax assets	1,386	-	1,386
Cash and cash equivalents	773,229	-	773,229
Total current assets	1,057,461	-	1,057,461
TOTAL ASSETS	1,830,352	141	1,830,493

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

48. OPENING STATEMENT OF FINANCIAL POSITION (CONT'D)

The opening statement of financial position of the Group as at 1 January 2010, primarily reflects the effects arising from the adoption of FRS 139 as follows: (cont'd)

Group	As previously reported RM'000	Effects on adoption of FRS 139 RM'000	As restated RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	738,564	-	738,564
Treasury shares	(225)	-	(225)
Reserves	515,767	141	515,908
	1,254,106	141	1,254,247
Minority interest	28,778	-	28,778
TOTAL EQUITY	1,282,884	141	1,283,025
Non-current liabilities			
Borrowings	45,555	-	45,555
Deferred tax liabilities	81,140	-	81,140
Total non-current liabilities	126,695	-	126,695
Current liabilities			
Trade and other payables	157,135	-	157,135
Borrowings	3,410	-	3,410
Medium Term Notes	250,000	-	250,000
Current tax payable	10,228	-	10,228
Total current liabilities	420,773	-	420,773
TOTAL LIABILITIES	547,468	-	547,468
TOTAL EQUITY AND LIABILITIES	1,830,352	141	1,830,493

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

48. OPENING STATEMENT OF FINANCIAL POSITION (CONT'D)

The opening statement of financial position of the Company as at 1 January 2010, primarily reflects the effects arising from the adoption of FRS 139 as follows:

Company	As previously reported RM'000	Effects on adoption of FRS 139 RM'000	As restated RM'000
<u>Statement of Financial Position</u>			
ASSETS			
Non-current assets			
Property, plant and equipment	601,220	-	601,220
Investment properties	20,093	-	20,093
Investments in subsidiaries	94,032	-	94,032
Investment in an associate	12,239	-	12,239
Investments in jointly controlled entities	20,091	-	20,091
Other investments	41,137	(41,137)	-
Financial assets at fair value through profit or loss	-	26,312	26,312
Financial assets held to maturity	-	15,000	15,000
Other receivables	28,549	-	28,549
Total non-current assets	817,361	175	817,536
Current assets			
Inventories	84,658	-	84,658
Trade and other receivables	141,290	-	141,290
Current tax assets	-	-	-
Cash and cash equivalents	562,778	-	562,778
Total current assets	788,726	-	788,726
TOTAL ASSETS	1,606,087	175	1,606,262

NOTES TO THE FINANCIAL STATEMENTS

31 December 2010 (Cont'd)

48. OPENING STATEMENT OF FINANCIAL POSITION (CONT'D)

The opening statement of financial position of the Company as at 1 January 2010, primarily reflects the effects arising from the adoption of FRS 139 as follows: (cont'd)

Company	As previously reported RM'000	Effects on adoption of FRS 139 RM'000	As restated RM'000
EQUITY AND LIABILITIES			
Share capital	738,564	-	738,564
Treasury shares	(225)	-	(225)
Reserves	451,075	175	451,250
TOTAL EQUITY	1,189,414	175	1,189,589
Non-current liability			
Deferred tax liabilities	80,523	-	80,523
Total non-current liability	80,523	-	80,523
Current liabilities			
Trade and other payables	77,647	-	77,647
Medium Term Notes	250,000	-	250,000
Current tax payable	8,503	-	8,503
Total current liabilities	336,150	-	336,150
TOTAL LIABILITIES	416,673	-	416,673
TOTAL EQUITY AND LIABILITIES	1,606,087	175	1,606,262

LIST OF PROPERTIES

Location	Tenure	Size	Description	Approximate age of bulidings (years)	Net book value RM'000	Year acquisition/ Last revaluation [#]
15-19, Jalan Masjid Kapitan Keling 10200 Pulau Pinang	Leasehold Expiry: 2055	22,640 sq. ft.	Office block	Pre-war	991	1983 [#]
13, Jalan 13/6 46200 Petaling Jaya Selangor Darul Ehsan	Leasehold Expiry: 2062	24,568 sq. metres	Building on industrial land	38	21,125	1991
11, Jalan 13/6 46200 Petaling Jaya Selangor Darul Ehsan					10,912	1994
26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,440 sq. ft.	2-storey semi-detached/ house/residential cum office	50	931	1995
Kawasan Perindustrian Bukit Minyak, Mukim 13 Daerah Seberang Perai 14100 Bukit Mertajam Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Newsprint warehouse	13	9,573	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	10	44,620	2001
2 Jalan U8/88 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	405,979 sq. ft.	Industrial land	N/A	22,495	1997
		205,117 sq. ft.	Printing plant	10	36,532	2001
202, Jalan Sultan Azlan Shah 11900 Bayan Lepas Pulau Pinang	Freehold	12,086 sq. metres	Industrial land	N/A	11,954	1997
		19,472 sq. metres	Regional office and printing plant	9	21,861	2002
Lot 9, First Floor Block B, Lintas Square 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft.	Office block	12	205	1999

LIST OF PROPERTIES

(Cont'd)

Location	Tenure	Size	Description	Approximate age of bulidings (years)	Net book value RM'000	Year Acquisition/ Last Revaluation [#]
Lot No. 6037 (26198) Mukim Bentong Daerah Bentong Pahang Darul Makmur	Freehold	8.975 acres	Vacant residential land	N/A	2,096	1999
GM611 Lot No. 3162 (26196) Mukim Bentong Pahang Darul Makmur	Freehold	3.766 acres	Vacant agriculture land	N/A	1,079	1999
GM612, Lot No. 6036 (26197) Mukim Bentong Pahang Darul Makmur	Freehold	0.9084 acres	Vacant residential land	N/A		
Lot No. 60 Mukim of Tanah Rata Bintang Cottage, A38 Jalan Pekeliling Padang Golf, Tanah Rata Cameron Highlands Pahang Darul Makmur	Leasehold Expiry: 2036	60,387 sq. ft	Single storey detached house	Pre-war	1,655	2002
Unit A 4103 SOHO Xian Dai Cheng No. 88, Jian Guo Road Chao Yang District Beijing 100022 Peoples' Republic of China	Leasehold Expiry: 2070	386.41 sq.metres	Top floor of a 42-storey building	7	2,123	2004
No. 7, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	108,900 sq. ft	Industrial land	N/A	4,380	2004
No. 9, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	111,078 sq. ft	Industrial land	N/A	4,443	2004
10 Anson Road #19-14 International Plaza Singapore 079903	Leasehold Expiry: 2070	219 sq.metres	19th floor on a 50-storey building	35	2,922	2005

LIST OF PROPERTIES
(Cont'd)

Location	Tenure	Size	Description	Approximate age of bulidings (years)	Net book value RM'000	Year Acquisition/ Last Revaluation [#]
Neighbourhood Commercial Centre GF to 3F, U6, Phase 19 62250 Putrajaya	Freehold	1,690.72 sq.metres	4-storey shop office	6	3,988	2005
8, Lorong Chung Thye Phin 30250 Ipoh Perak Darul Rizduan	Leasehold Expiry: 2893	787.87 sq.metres	Commercial land and building under construction	N/A	610	2005
10, Lorong Chung Thye Phin 30250 Ipoh Perak Darul Rizduan	Leasehold Expiry: 2893	834.66 sq.metres		N/A	647	2005
No. 1 Jalan Tunku 50480 Bukit Tunku Kuala Lumpur	Leasehold Expiry: 2085	6,475 sq.metres	3 detached houses on residential land	28-53	20,562	2005
No. 1 Jalan Tunku 50480 Bukit Tunku Kuala Lumpur	Leasehold Expiry: 2089	2,523 sq.metres				2005
Klang Town Commercial Centre No 35 Lebuah Tapah Bandar Klang 41400 Klang Selangor Darul Ehsan	Freehold	445.93 sq.metres	3-storey shop office	4	799	2007
17, Jalan 16/12B 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	4,725 sq. ft	3-storey semi-detached house	2	2,731	2009
19, Jalan 16/12B 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	4,725 sq. ft	3-storey semi-detached house	2	2,606	2009
No 37 Jalan USJ Sentral 3 USJ Sentral Persiaran Subang 1 47600 Subang Jaya Selangor Darul Ehsan	Freehold	10,080 sq. ft	5-storey shop office & 1 lower ground car park	2	2,606	2009
No 39 Jalan USJ Sentral 3 USJ Sentral Persiaran Subang 1 47600 Subang Jaya Selangor Darul Ehsan	Freehold	13,278 sq. ft	5-storey shop office & 1 lower ground car park	2	3,558	2009

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2011

SHARE CAPITAL

Authorised Share Capital	: RM1,000,000,000
Issued & Paid-up Share 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 Shareholders/ Depositors	% Of Shareholders/ Depositors	No. Of Shares/ Securities Held	% Of Issued Capital
1 - 99	78	1.176	1,574	0.000
100 - 1,000	1,652	24.906	1,479,256	0.200
1,001 - 10,000	3,961	59.717	16,034,784	2.171
10,001 - 100,000	787	11.865	24,366,584	3.300
100,001 - 36,924,669	152	2.291	229,849,044	31.121
36,924,670 AND ABOVE	3	0.045	466,762,160	63.198
Sub Total	6,633	100.000	738,493,402	100.000
Treasury Shares			70,200	
Total			738,563,602	100.000

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 31 MARCH 2011

No	Name	Normal Holding	Holding Percentage
1	AMSEC NOMINEES (TEMPATAN) SDN BHD MALAYSIAN CHINESE ASSOCIATION	313,315,760	42.426
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	94,554,000	12.804
3	AMANAHRAYA TRUSTEES BERHAD SKIM AMANAH SAHAM BUMIPUTERA	58,892,400	7.975
4	LEMBAGA TABUNG HAJI	24,890,300	3.370

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2011 (Cont'd)

No	Name	Normal Holding	Holding Percentage
5	VALUECAP SDN BHD	24,605,900	3.332
6	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA	22,079,800	2.990
7	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	19,863,200	2.690
8	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM DIDIK	13,973,700	1.892
9	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	12,189,900	1.651
10	PERMODALAN NASIONAL BERHAD	10,841,800	1.468
11	HSBC NOMINEES (ASING) SDN BHD BNY LUX FOR INVESCO FUNDS	5,354,900	0.725
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMERICAN INTERNATIONAL ASSURANCE BERHAD	4,503,200	0.610
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	3,732,000	0.505
14	CARTABAN NOMINEES (ASING) SDN BHD GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION PTE LTD FOR GOVERNMENT OF SINGAPORE (C)	3,416,800	0.463
15	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT ENTERPRISES FUND	3,200,700	0.433
16	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 2)	2,867,500	0.388
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	2,662,100	0.361

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2011 (Cont'd)

No	Name	Normal Holding	Holding Percentage
18	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	2,607,000	0.353
19	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	2,572,500	0.348
20	MAYBAN NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (FD 1 - 280305)	2,500,000	0.339
21	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MANULIFE INSURANCE BERHAD (OL PAR)	2,474,500	0.335
22	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,380,500	0.322
23	KOPERASI JAYADIRI MALAYSIA BERHAD	2,296,000	0.311
24	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA	2,000,000	0.271
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (MAYBAN INV)	1,886,300	0.255
26	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL AL-FAID (4389)	1,554,000	0.210
27	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	1,518,000	0.206
28	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	1,510,000	0.204
29	EMPLOYEES PROVIDENT FUND BOARD	1,500,000	0.203
30	TENGGU NERANG PUTRA	1,466,144	0.199
TOTAL		647,208,904	87.639

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2011 (Cont'd)

DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register Of Directors' Shareholdings)

Name of Directors	No. of Shares Held Direct Interest	% of Issued Capital	No. of Shares Held Indirect Interest	% of Issued Capital
Kuah Hun Liang	-	-	-	-
Datuk Vincent Lee Fook Long	168,300	0.023	-	-
Datin Linda Ngiam Pick Ngoh	499,000	0.068	487,000	0.066
Ho Kay Tat	-	-	-	-
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	0.014	900,000	0.122
Datuk Seri Wong Chun Wai	4,000	Neg	-	-
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	-	-	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
Foo San Kan	-	-	-	-
Lee Siang Chin	-	-	-	-
Dato' Yip Kum Fook	-	-	-	-

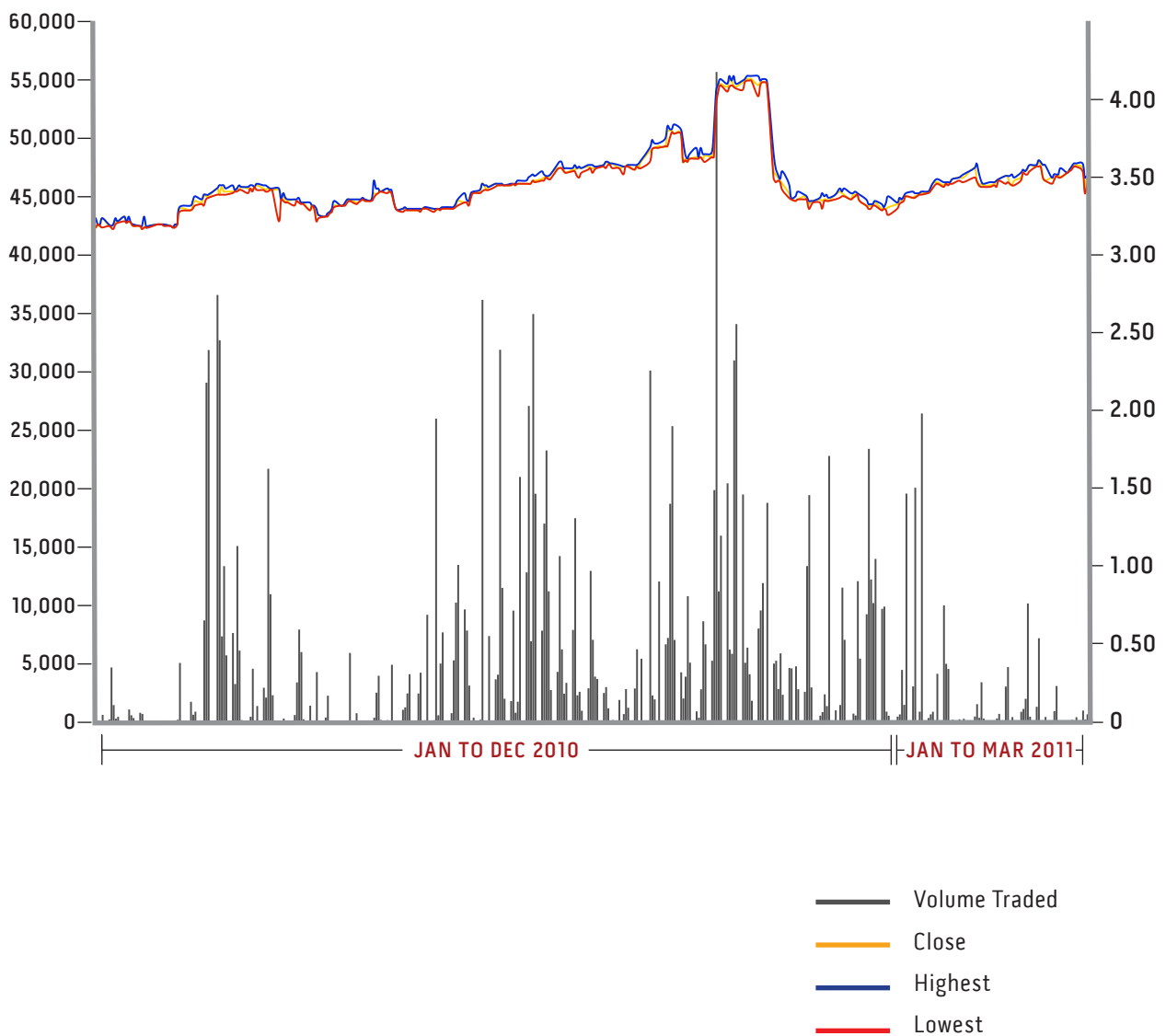
SUBSTANTIAL SHAREHOLDERS

(As Per Register Of Substantial Shareholders)

AMSEC NOMINEES (TEMPATAN) SDN BHD MALAYSIAN CHINESE ASSOCIATION	313,315,760	42.426	200,000	0.027
EMPLOYEES PROVIDENT FUND BOARD	104,023,300	14.086	-	-
AMANAHRAYA TRUSTEES BHD – SKIM AMANAH SAHAM BUMIPUTERA	58,892,400	7.975	-	-

SHARE PERFORMANCE CHART

SHARE PRICES AND VOLUME TRADED FOR THE PERIOD
1 JANUARY 2010 TO 31 MARCH 2011





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 Bharu
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

CORPORATE DIRECTORY

(Cont'd)

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

GEORGETOWN

15, Jalan Mesjid Kapitan Keling
10200 Pulau Pinang
Tel: 04-262 4361
Fax: 04-261 1410

PRAI

19A, 1st Floor, Jalan Todak 3
Pusat Bandar Seberang Jaya
(Bandar Sunway)
13700 Seberang Jaya, Pulau Pinang
Tel: 04-398 8316
Fax: 04-398 8546

IPOH

8 – 10, Lorong Chung Thye Phin
30250 Ipoh
Perak Darul Ridzuan
Tel: 05-253 0402
Fax: 05-253 9669

KUALA LUMPUR

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-G, 35-1, 35-2, Lebuhr Tapah
Klang Town Commercial Centre
41400 Klang, Selangor Darul Ehsan
Tel: 03-3344 8978
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 BHARU

65 & 65A, Jalan Maju
Taman Maju Jaya
80300 Johor Bharu, Johor Darul Ta'zim
Tel: 07-331 5666
Fax: 07-333 3251

KUANTAN

14, 1st Floor, Jalan Tun Ismail
25000 Kuantan, Pahang Darul Makmur
Tel: 09-513 1323
Fax: 09-514 6276

KUALA TERENGGANU

No. 137-E, 1st Floor
Jalan Sultan Zainal Abidin
20000 Kuala Terengganu
Terengganu Darul Iman
Tel: 09-622 3280
Fax: 09-623 0025

KOTA BHARU

No. 2854-A, 1st Floor
Jalan Sultanah Zainab
15000 Kota Bharu, Kelantan Darul Naim
Tel: 09-747 8500
Fax: 09-747 8600

SABAH & SARAWAK

KUCHING

4th & Mezzanine Floors
Block E, Jalan Wan Alwi
Queen's Court
93350 Kuching, Sarawak
Tel: 082-457 888
Fax: 082-459 371

MIRI

Lot 2597, Wisma United Borneo Press
Jalan Piasau, 98000 Miri, Sarawak
Tel: 085-664 924
Fax: 085-664 924

SIBU

Lot 53774, Jalan Pengkalan Feri
Upper Lanang
96000 Sibu, Sarawak
Tel: 084-217 436
Fax: 084-217 436

OVERSEAS OFFICES

BEIJING

A4103, Soho Xian Dai Cheng
88, Jianguo Road
Chaoyang District
Beijing 100022, China
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



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 2929 (Metro Classified Run-Ons)
Fax: 03-7954 6752

Email : 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 3371/647 335



STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)
(Incorporated in Malaysia)

PROXY FORM

CDS ACCOUNT NO. OF AUTHORISED NOMINEE

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 as per NRIC, in capital letters)

IC No. _____
(new) (old)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held at the Cyberhub, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Thursday, 26 May 2011 at 10.00 a.m. 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 Datin Linda Ngiam Pick Ngoh who retires by rotation pursuant to Article 117 of the Company's Articles of Association	Resolution 2		
3	To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association:- i) Datuk Vincent Lee Fook Long ii) Lee Siang Korn @ Lee Siang Chin iii) Dato' Yip Kum Fook iv) Ho Kay Tat	Resolution 3 Resolution 4 Resolution 5 Resolution 6		
4	To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim who is retiring pursuant to Section 129(6) of the Companies Act, 1965	Resolution 7		
5	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 8		
6	To approve payment of Directors' fees	Resolution 9		
7	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration	Resolution 10		
8	Authority under Section 132D of the Companies Act, 1965 for Directors to issue shares	Resolution 11		
9	Renewal of Authority for Proposed Share Buy-Back	Resolution 12		

NOTES

1. 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.
2. In the case of a corporation, the instrument appointing the proxy must be under its Common Seal or under the hand of its Attorney.
3. 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, 46350 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time set for the meeting.

SIGNATURE / COMMON SEAL

NUMBER OF SHARES HELD

DATE

FOLD HERE

FOLD HERE

STAMP

COMPANY SECRETARY

STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)
Level 15, Menara Star
Jalan 16/11, 46350 Petaling Jaya
Selangor Darul Ehsan, Malaysia