

THE STAR MEDIA GROUP:

NEWSPAPER



RADIO



DIGITAL



MAGAZINE



TV



BUSINESS EXTENSIONS

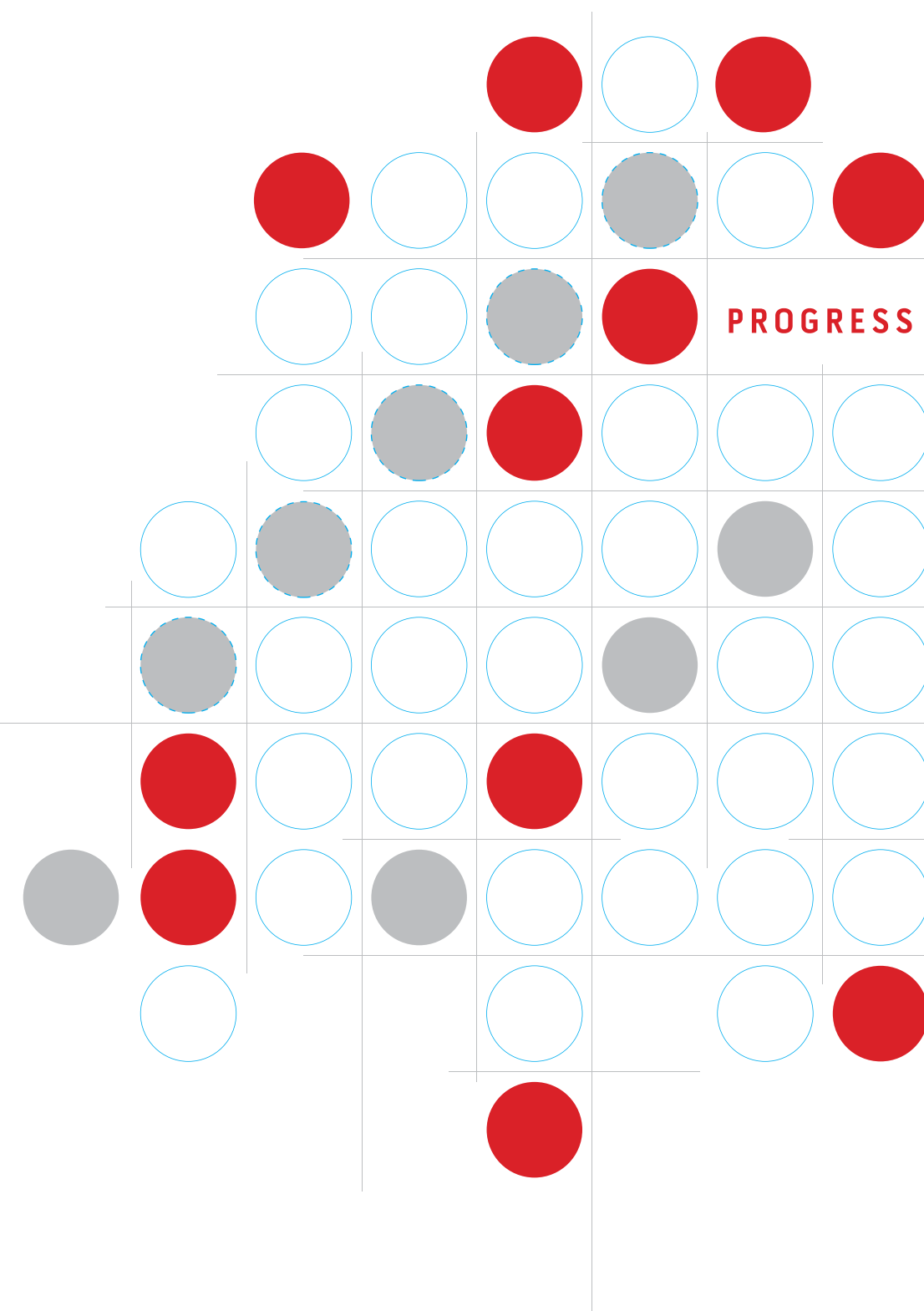


CORPORATE HEAD OFFICE

Star Publications (Malaysia) Berhad (10894-D)
Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: 03-7967 1388 Fax: 03-7954 6752
Website: starpublications.my

ANNUAL REPORT 2011

STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)



Annual Report 2011

Star Publications (Malaysia) Berhad (10894-D)

Perforated line

Die cut line

Job No: STAR680108
Job Title: Star Annual Report
Media: Star Annual Report Cover & Back cover
Open Size: 29.7cm (H) x 43.5cm (W)
Close Size: 29.7cm (H) x 21cm (W)

milk+co



Design Rationale

This year, our design concept focuses on ‘Progress’ as referred to the 2011 achievements of the Star media group, as well as the expansion in readership, content and media avenues. Progress, as we know it, is the result of the right strategic moves coupled with the precision in timing. To creatively communicate this message, we utilise the strategic elements of Reversi (a popular board game known as Othello) that involves the turning over of opponents’ disks to have a majority number of coloured pieces at game’s end. Similar to the ambitions of the Star media group, the placement of a Reversi disk depicts the move that leads to conversion of mindsets and progression in growth.

Press to remove perforated disks:

The disk imprints on the cover are perforated for an innovative, interactive and unconventional involvement, portraying a progressive switch to the Star media group (represented by The Star corporate red) with each removal of a perforated disk.

To be a leading
and innovative
media group with
various touch
points to connect
with the people.

VISION



MISSION

- To provide relevant, accurate and reliable information
- To be the voice and conscience of the people
- To inspire both the individual and the country to seek continuous self improvement
- To be a caring media group and responsible corporate citizen

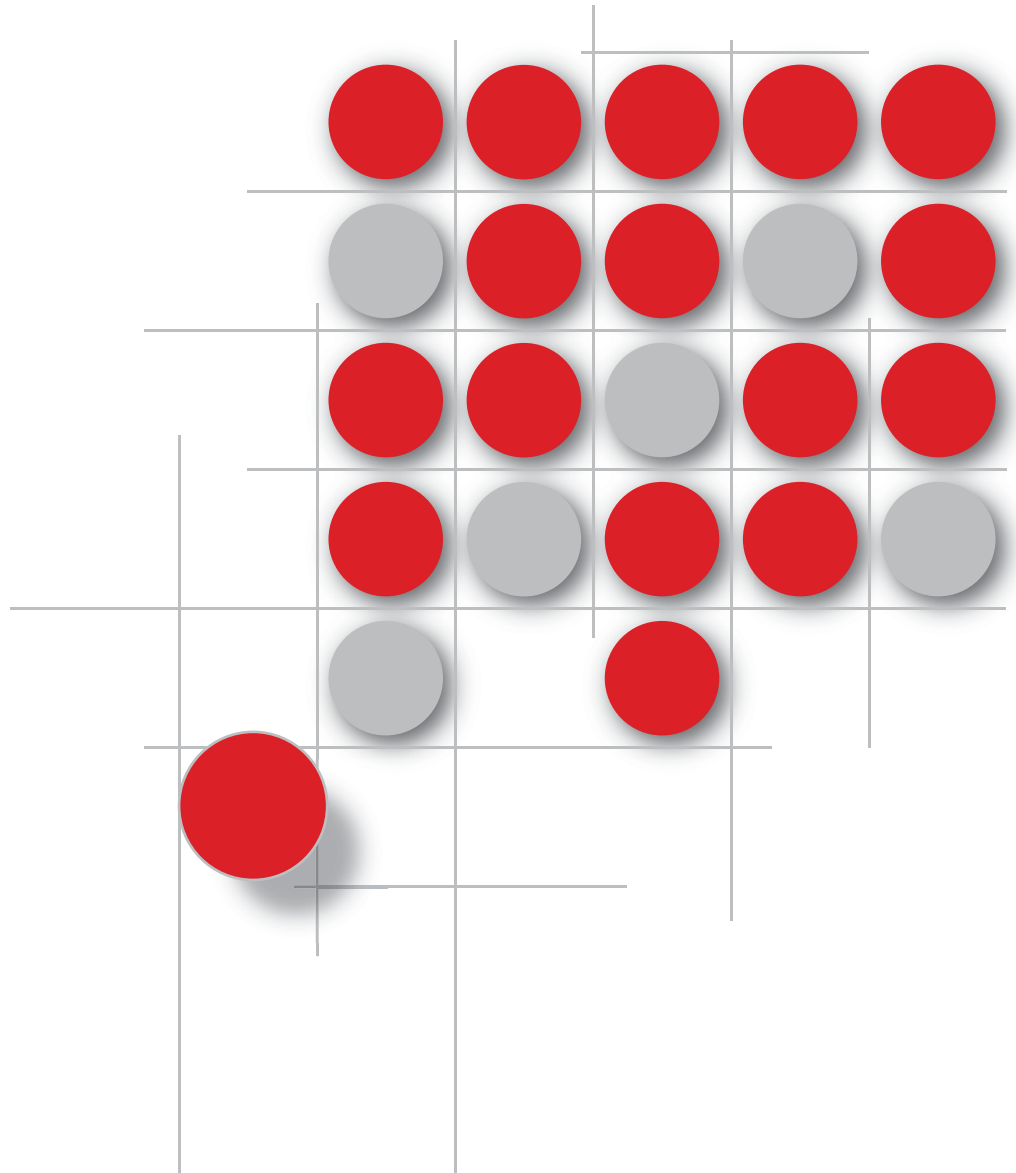


Contents



5	Notice Of Annual General Meeting
8	Financial Calendar
9	Group's Five-Year Summary
11	Group's Financial Highlights
12	Consolidated Cash Flow Summary
13	Corporate Information
14	Board of Directors
16	Directors' Profile
23	Top Management
24	Senior Management Team
28	Chairman's Statement
32	Message from the Executive Deputy Chairman
35	Corporate Governance Statement
44	Statement on Internal Control
46	Audit Committee Report
50	Additional Compliance Information
52	Corporate Responsibility
64	2011 Highlights
72	Subsidiaries
79	Financial Statements
203	List of Properties
206	Analysis of Shareholdings
210	Share Performance Chart
211	Corporate Directory
	Proxy Form





There are no limits to success
when you connect
the power of imagination
with foresight.

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting of Star Publications (Malaysia) Berhad ("the Company") will be held at the Cyberhub, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 May 2012 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 financial year ended 31 December 2011 together with the Auditors' Report thereon | Resolution 1 |
| 2 | To re-elect the following Directors who retire by rotation pursuant to Article 117 of the Company's Articles of Association:
i. Dato' Dr Mohd Aminuddin bin Mohd Rouse
ii. Datuk Seri Wong Chun Wai | Resolution 2
Resolution 3 |
| 3 | To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association:
i. Tan Sri Datuk Seri Dr Fong Chan Onn
ii. Mr Lew Weng Ho | Resolution 4
Resolution 5 |
| 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 6 |
| 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 | Please refer to Note vi |
| 6 | To approve Directors' fees of up to RM698,000 for the financial year ended 31 December 2011 | Resolution 7 |
| 7 | To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration | Resolution 8 |

SPECIAL BUSINESS

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

8 ORDINARY RESOLUTION Proposed authority to allot and issue 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 allot and 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 (excluding treasury shares) for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue."

Resolution 9

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, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up ordinary share capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

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

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

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

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

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 10

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

Petaling Jaya
26 April 2012

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. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- ii. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting provided that where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- iii. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- iv. Only members registered in the Record of Depositors as at 15 May 2012 shall be eligible to attend the meeting or appoint proxy or proxies to attend and vote on their behalf.
- v. The instrument appointing a proxy or proxies or the power of attorney or a certified copy thereof, 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.
- vi. Dato' Wira Syed Abdul Jabbar bin Syed Hassan who retires pursuant to Section 129(6) of the Companies Act, 1965, had indicated to the Company that he does not wish to seek re-appointment at the Fortieth Annual General Meeting of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution No. 9

The Company had, during its Thirty-ninth Annual General Meeting ("AGM") held on 26 May 2011, 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. 9 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 (excluding treasury shares) 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. 10

The explanatory notes on Resolution No. 10 are set out in the Statement to Shareholders dated 26 April 2012 accompanying the Company's Annual Report for year 2011.



FINANCIAL YEAR 1 JANUARY 2011 TO 31 DECEMBER 2011

ANNOUNCEMENT OF 2011 PRELIMINARY RESULTS

First quarter	announced	26 May 2011
Second quarter	announced	18 August 2011
Third quarter	announced	23 November 2011
Fourth quarter	announced	27 February 2012

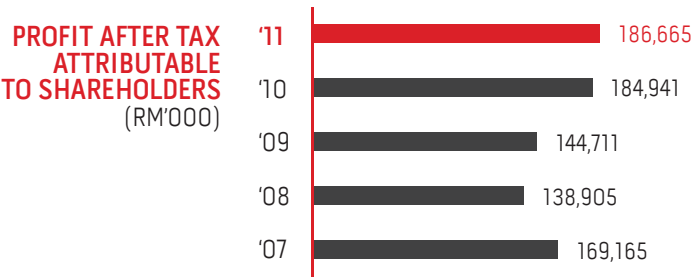
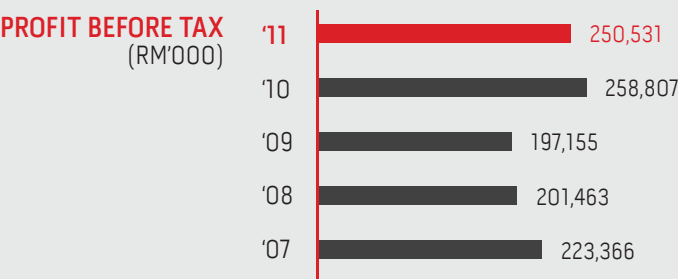
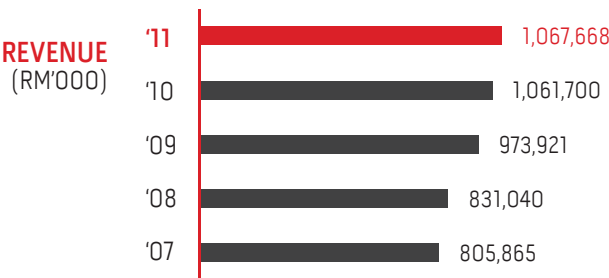
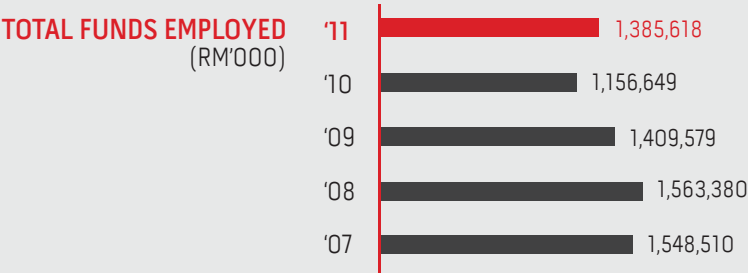
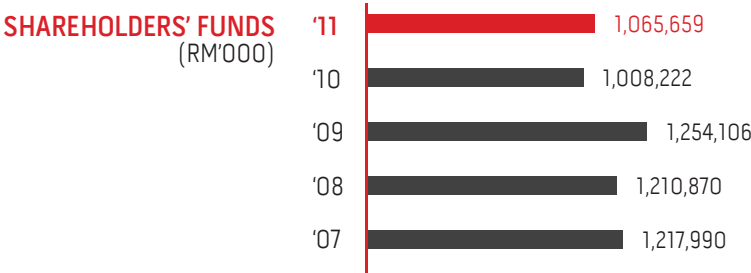
DIVIDEND

First Interim and Special	declared on	18 August 2011
	entitlement date	30 September 2011
	paid on	18 October 2011
Second Interim and Special	declared on	27 February 2012
	entitlement date	30 March 2012
	paid on	18 April 2012

ISSUE OF 2011 ANNUAL REPORT	26 April 2012
-----------------------------	---------------

ANNUAL GENERAL MEETING	23 May 2012
------------------------	-------------

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	As at 31 December				
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Fixed assets	680,206	656,681	642,880	596,293	535,139
Other assets	25,771	73,559	130,011	120,955	166,704
Non-current assets held for sale	-	-	-	24,120	32,418
Net current assets	842,533	833,140	636,688	415,281	651,357
	1,548,510	1,563,380	1,409,579	1,156,649	1,385,618
Share capital	738,564	738,564	738,564	738,564	738,564
Treasury shares	-	-	(225)	(225)	(225)
Share option reserve	-	-	149	536	854
Available-for-sale reserve	-	-	-	100	233
Foreign exchange fluctuation reserve	18,505	(1,226)	24,771	20,721	23,972
Retained earnings	460,921	473,532	490,847	248,526	302,261
Shareholders' funds	1,217,990	1,210,870	1,254,106	1,008,222	1,065,659
Non-controlling interest	1,066	23,117	28,778	27,335	40,195
Long term and deferred liabilities	329,454	329,393	126,695	121,092	279,764
Total funds employed	1,548,510	1,563,380	1,409,579	1,156,649	1,385,618
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Year ended 31 December				
	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue	805,865	831,040	973,921	1,061,700	1,067,668
Profit before tax	223,366	201,463	197,155	258,807	250,531
Tax expense	(54,485)	(62,762)	(47,522)	(68,639)	(65,219)
Profit after tax	168,881	138,701	149,633	190,168	185,312
Non-controlling interest	284	204	(4,922)	(5,227)	1,353
Profit after tax attributable to shareholders	169,165	138,905	144,711	184,941	186,665
Dividends	(121,494)	(126,294)	(127,396)	(427,403)	(132,930)
Retained earnings for the year	47,671	12,611	17,315	(242,462)	53,735



	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue	805,865	831,040	973,921	1,061,700	1,067,668
Profit before tax	223,366	201,463	197,155	258,807	250,531
Profit after tax attributable to shareholders	169,165	138,905	144,711	184,941	186,665
Paid-up capital	738,564	738,564	738,564	738,564	738,564
Shareholders' funds	1,217,990	1,210,870	1,254,106	1,008,222	1,065,659

FINANCIAL RATIOS		2007	2008	2009	2010	2011
Revenue growth	%	11.4	3.1	17.2	9.0	0.6
Net earnings per share #	sen	22.90	18.81	19.59	25.04	25.28
Return on shareholders' funds	%	13.9	11.5	11.5	18.3	17.5
Dividend per share - Gross	sen	20.5	21.0	21.0	73.6	18.0
Net assets per share ^	RM	1.65	1.64	1.70	1.37	1.44

Computed based on adjusted weighted average number of ordinary shares.

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

	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Cash Flows from Operating Activities					
Net Cash from Operating Activities	230,428	159,045	337,515	101,297	259,001
Cash Flows from Investing Activities					
Net Cash from/(used in) Investing Activities	33,269	(73,994)	(69,753)	(17,315)	(10,351)
Cash Flows from Financing Activities					
Net Cash (used in)/from Financing Activities	(134,094)	(104,189)	(140,743)	(638,732)	23,499
Cash and Cash Equivalents as at beginning of financial year	523,699	658,076	621,556	773,229	216,688
Effect of Change in Exchange Rates	4,774	(17,382)	24,654	(1,791)	4,846
Cash and Cash Equivalents as at end of financial year	658,076	621,556	773,229	216,688	493,683
Cash and Cash Equivalents comprise the following:					
Cash and Bank Balances	34,836	55,409	101,145	86,226	107,510
Short Term Deposits	623,240	566,147	672,084	130,462	386,173
	658,076	621,556	773,229	216,688	493,683



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
Stock Code: 6084
Stock Name: STAR

BOARD OF DIRECTORS

Tan Sri Datuk Seri Dr Fong Chan Onn (Non-Independent Non-Executive Director & Chairman)

Datuk Vincent Lee Fook Long (Executive Deputy Chairman)

Mr Ho Kay Tat (Group Managing Director & Chief Executive Officer)

Tan Sri Datuk Seri Kamal Mohamed Hashim (Executive Director)

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

Datin Linda Ngiam Pick Ngoh (Non-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)

Mr Lee Siang Chin (Senior Independent Non-Executive Director)

Dato' Yip Kum Fook (Independent Non-Executive Director)

Mr Lew Weng Ho (Independent Non-Executive Director)

AUDIT COMMITTEE

Mr Lee Siang Chin* (Chairman)

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

Dato' Yip Kum Fook* (Member)

Mr Lew Weng Ho* (Member)

* Independent Non-Executive Director

SECRETARY

Ong Wei Lymn (MAICSA 0826394)





BACK (from left to right)

Mr Lew Weng Ho
(Independent Non-Executive Director)

Dato' Yip Kum Fook
(Independent Non-Executive Director)

Mr Lee Siang Chin
(Senior Independent Non-Executive Director)

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

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

Tan Sri Datuk Seri Kamal Mohamed Hashim
(Executive Director)

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

FRONT (from left to right)

Mr Ho Kay Tat
(Group Managing Director & Chief Executive Officer)

Tan Sri Datuk Seri Dr Fong Chan Onn
(Non-Independent Non-Executive Director & Chairman)

Datin Linda Ngiam Pick Ngoh
(Non-Independent Non-Executive Director)

Datuk Vincent Lee Fook Long
(Executive Deputy Chairman)



Tan Sri Datuk Seri Dr Fong Chan Onn was appointed as a Non-Executive Director and Chairman of the Star on 26 May 2011. He is the Chairman of the Remuneration Committee of the Company.

Tan Sri Datuk Seri Dr Fong Chan Onn

68 years of age, Malaysian
Non-Independent Non-Executive Director & Chairman

Tan Sri Datuk Seri Dr Fong holds a Bachelor of Engineering (Electrical) from the University of Canterbury, New Zealand, a Masters of Business Administration from University of Rochester, New York, and a PhD. in Operations Research/Industrial Economics from University of Rochester, New York.

He began his career as an engineer working in New Zealand and Kuala Lumpur and later went on to join the education line where he served as a lecturer in University of Malaya which eventually lead to his position as Professor and Dean for the faculty of Economics and Administration for the same University. From 1990 to 1999, he held the position of Deputy Minister of Education and subsequently went on to become the Minister of Human Resources until March of 2008. He is currently a Member of Parliament for Alor Gajah, Melaka.

Tan Sri Datuk Seri Dr Fong is Chairman of the Board of Trustees of Star Foundation and holds directorships in several private companies.

He attended all three (3) Board Meetings held during the financial year ended 31 December 2011 after his appointment on 26 May 2011.

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

Datuk Vincent Lee Fook Long

58 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 re-designated to Executive Deputy Chairman on 3 January 2011. He is the Chairman of the Finance Committee of the Company.

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

Currently, Datuk Vincent Lee is a director of MNC Wireless Bhd and SHH Resources Holdings Bhd. He also holds directorships within the Star Group of Companies which includes Cityneon Holdings Limited, a subsidiary of the Star listed on the Singapore Exchange. He is the Group Executive Chairman of Foetus International Sdn Bhd and sits on the board of several integrated advertising related companies. Datuk Vincent Lee was the President of the Association of Advertising Agents Malaysia ("4As") from April 2005 to March 2011. He was also the Chairman of Audit Bureau of Circulations ("ABC"). He is the life President of 4As.

He attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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

Mr Ho Kay Tat

53 years of age, Malaysian
Group Managing Director & Chief Executive Officer

Mr Ho was appointed as an Executive Director on 3 January 2011 and re-designated to Group Managing Director & Chief Executive Officer of the Star on 1 July 2011. He joined the Star as Chief Operating Officer in July 2010. He is a member of the Finance Committee of the Company.

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 27 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.

Mr Ho's current directorships in companies within the Star Group include being Non-Executive Chairman of Cityneon Holdings Limited, Singapore.

He attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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





Tan Sri Datuk Seri Kamal Mohamed Hashim

73 years of age, Malaysian
Executive Director

Tan Sri Datuk Seri Kamal was a businessman before 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 10 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 also holds directorships within the Star Group of Companies.

He attended six (6) out of the seven (7) Board Meetings held during the financial year ended 31 December 2011.

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



Datuk Seri Wong Chun Wai

51 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 27 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 also an advisory panel member of the UKM Graduate School of Business and also a supervisory counsel 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 is also a member of the Governance Council of the Agency for Innovation, Malaysia, under the Prime Minister's Office.

Datuk Seri Wong also holds directorships within the Star Group of Companies. He attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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



Datin Linda Ngiam Pick Ngoh

56 years of age, Malaysian
Non-Independent Non-Executive Director

Datin Linda Ngiam was appointed to the Board on 1 March 2007. She was the Group Managing Director & Chief Executive Officer of the Star from 1 July 2008 until 30 June 2011. 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 a member of the Finance Committee of the Company.

Datin Linda Ngiam 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 currently the honorary secretary of Malaysian Newspaper Publishers Association (MNPA) and board member of the Advertising Standard Authority Malaysia (ASA).

Datin Linda Ngiam also sits on the Board of MUI Properties Berhad.

She attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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



Dato' Wira Syed Abdul Jabbar bin Syed Hassan

72 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 a member of the Audit, Nomination and Remuneration Committees of the Company.

He holds a Bachelor of Economics degree 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, Padi Beras Nasional Berhad, Tradewinds Plantations Bhd, Tradewinds (M) Bhd, Aliran Ihsan Resources Bhd, MARDEC Bhd group of companies and Malakoff Corporation Berhad. He is also director of KAF Investment Bank Bhd (formerly known as KAF Discounts Berhad).

Previously, Dato' Wira Syed Abdul Jabbar was the Chief Executive Officer of the Kuala Lumpur Commodity Exchange (KLCE), Executive Chairman of Malaysia Monetary Exchange (MME) and Executive Chairman of the Commodity & Monetary Exchange (COMMEX).

He attended all the seven (7) Board Meetings held during the financial year ended 31 December 2011.

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



Dato' Dr Mohd Aminuddin bin Mohd Rouse

66 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 a member of the Finance, Nomination and Remuneration Committees of the Company. He obtained his Bachelor of Science (Honours) in Biochemistry from the University of Malaya in 1969 and his PhD. in Agricultural Chemistry from the University of Adelaide in 1974.

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 ManagePay Systems Berhad. He is also in the Board of Trustees of Star Foundation.

He attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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



Mr Lee Siang Chin

63 years of age, Malaysian
Senior Independent Non-Executive Director

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

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 of 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 and Hilong Holding Ltd, Hong Kong, AmInvestment Services Bhd, AmFutures Sdn Bhd, Uni.Asia Life Assurance Bhd and AmFraser Securities Pte Ltd. He is a Director of the Social Security Organisation of Malaysia and a member of its investment panel.

He attended all seven (7) Board Meetings held during the financial year ended 31 December 2011.

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

Dato' Yip Kum Fook

57 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 of the Company.

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 seven (7) Board Meetings held during the financial year ended 31 December 2011.

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

Mr Lew Weng Ho

64 years of age, Malaysian
Independent Non-Executive Director

Mr Lew was appointed as an Independent Non-Executive Director of the Star on 26 May 2011. He is a member of the Audit Committee of the Company.

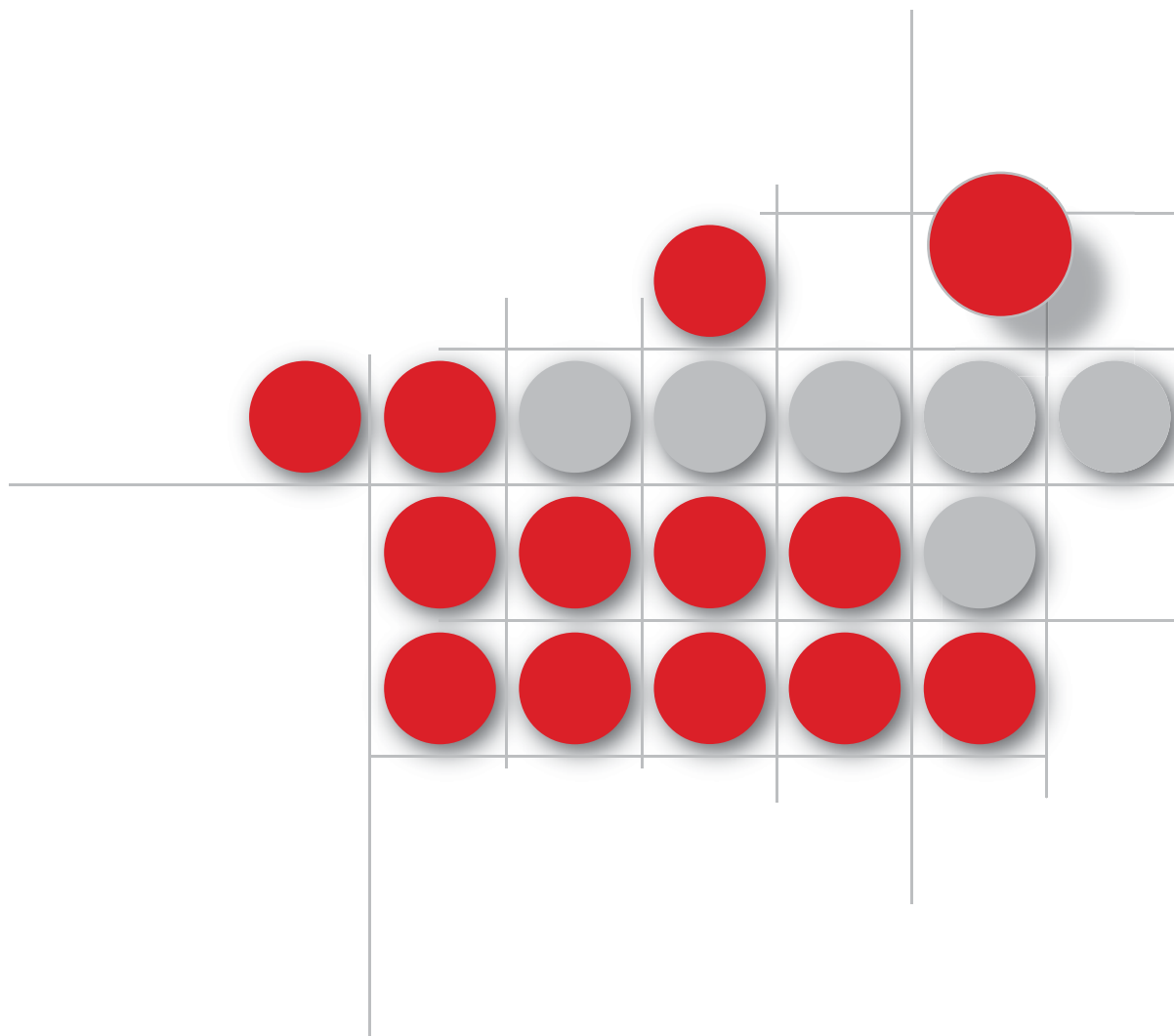
He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants. Mr Lew joined Coopers & Lybrand in 1978 after he completed his articleship in Dublin, Ireland. In 1981, he took up the position of Chief Accountant in Antah Holdings Berhad ("Antah"). He was appointed to the Board of Antah as Finance Director in 1990 and also served on the board of many of its subsidiaries and associated companies until he retired in 1999. He also served as a director in the Federation of Public Listed Companies Berhad from 1997 to 2000.

At present, he is a financial advisor and business consultant and he is also an Independent Non-Executive Director of MNC Wireless Berhad.

He attended all three (3) Board Meetings held during the financial year ended 31 December 2011 after his appointment on 26 May 2011.

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





Progress is the process
where the past is overturned by the present.



TOP MANAGEMENT (from left to right)

Mr Ho Kay Tat

(Group Managing Director & Chief Executive Officer)

Datuk Vincent Lee Fook Long

(Executive Deputy Chairman)

Datuk Seri Wong Chun Wai

(Executive Director & Group Chief Editor)

Tan Sri Datuk Seri Kamal Mohamed Hashim

(Executive Director)

EDITORIAL

(from left to right)

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)

June Wong Har Leng
(Managing Editor)



FINANCIAL SERVICES

(from left to right)

George Chan Shiang Chiat
(Manager, Internal Audit)

Ragesh Rajendran
(Group Chief Financial Officer)

Yeo Eng Siang
(General Manager, Corporate Services)

BUSINESS DEVELOPMENT

(from left to right)

Lim Bee Leng
(Chief Advertising Officer)

Calvin Kan King Seong
(Group Business Director)

Jimmy Poey Yee Meng
(General Manager, Circulation)

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



BUSINESS UNIT

(from left to right)

Iris Tan Kok Foong
(Chief Events Officer)

Wong Siah Ping
(Chief Operating Officer, Digital Business)

Nicola Tiong Kek Hui
(Deputy General Manager, Corporate Office / Head of Magazine)

Davin Arul
(General Manager, New Media)

TECHNICAL SERVICES

(from left to right)

Choy Kum Wah

(General Manager, Engineering & Building/
Property Services)

Kevin Seng Sheng Yeow

(Manager, IT & Pre-Media Services)

Tn Haji Mohammad Hassan

(General Manager, Production)



SHARED SERVICES

(from left to right)

Sin Poh Yin

(Manager, Security & Transport)

Angelina Villanueva

(Deputy Group Chief Marketing Officer)

Henry Asokan

(Senior Manager, Human Resources & Administration)

Soh Sze Jean

(Manager, Legal)

Ong Wei Lymn

(Company Secretary)

RADIO / BROADCASTING

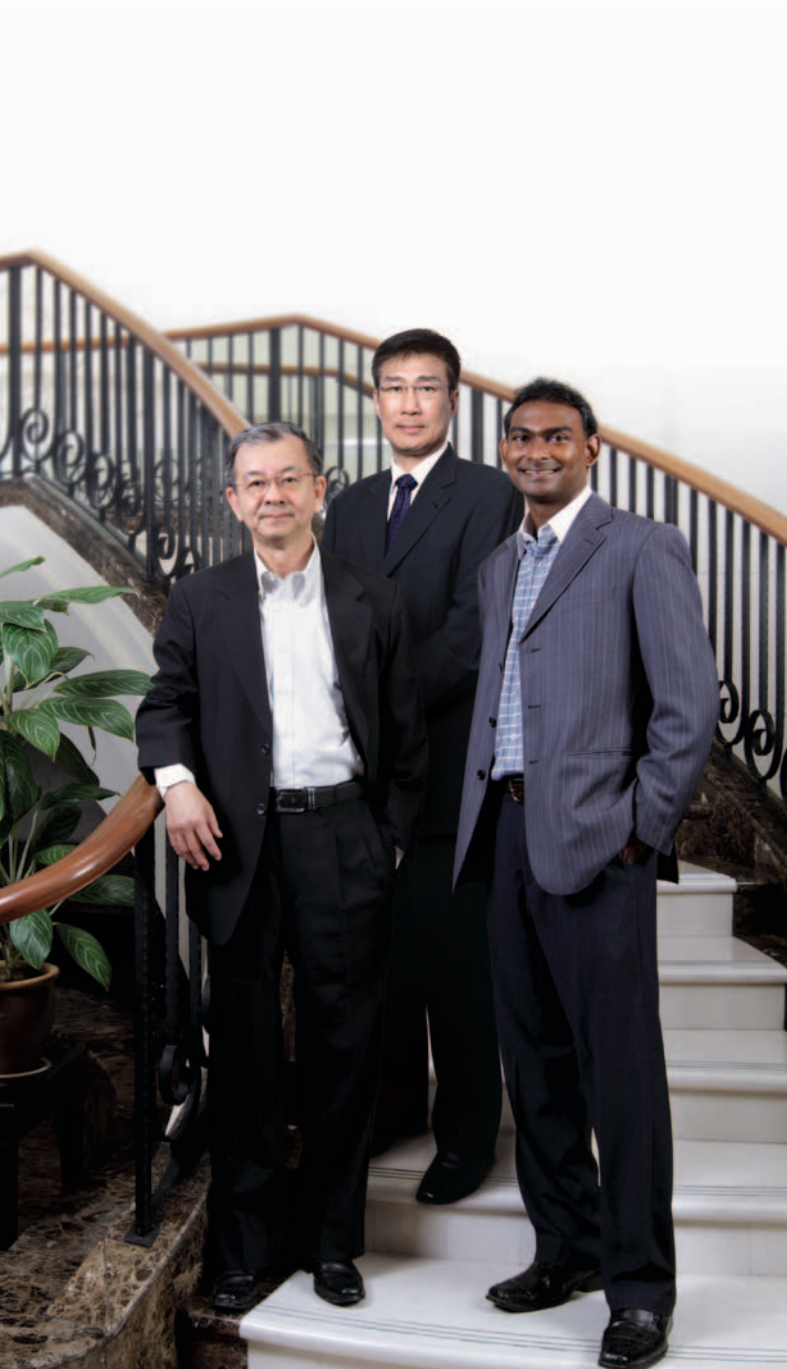
(from left to right)

Anne Chan

(General Manager, Life Inspired)

Tan Chong Keng

(Chief Broadcasting Officer, Star Radio Group)



BUSINESS EXTENSIONS

(from left to right)

Gan Chin Kew

(Managing Director, Red Tomato)

Ko Chee Wah

(Group Managing Director, Cityneon Singapore)

Roshan Thiran

(Chief Executive Officer, Leaderonomics)



Tan Sri Datuk Seri Dr Fong Chan Onn Chairman

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Consolidated Financial Statements of Star Publications (Malaysia) Berhad and its subsidiaries for the financial year ended 31 December 2011.

Firstly, I would like to welcome Independent Non-Executive Director, Mr Lew Weng Ho who joined the Board on 26 May 2011.



At the signing ceremony of the acquisition of Red Tomato Media Sdn Bhd by Star Publications (Malaysia) Berhad



CapitalFM launch

FINANCIAL PERFORMANCE

2011 proved to be a challenging year because of the global economic situation and in particular the problems in Europe. Revenue for the Group rose marginally to RM1.07 billion from RM1.06 billion in financial year 2010. While revenue grew in all our business segments, there was a decline in our Singapore-based events business segment which was most affected by the global slowdown and the political turmoil in the Middle East.

Group's pre-tax profit was also affected by rising costs and for the year ended 31 December 2011, the Group achieved RM250.53 million in profit against RM258.81 million in 2010. The Group's profit after tax was RM185.31 million compared to RM190.17 million in the previous financial year.

INDUSTRY TRENDS AND DEVELOPMENT

The Malaysian advertising market recorded a total rate card spending of RM10.8 billion in 2011 indicating a growth of 12% compared to 2010 (Source: Nielsen Media Research). Newspapers continue to command the bulk of the total ad expenditure at 41%.

English newspaper circulation recorded a decline as a whole but we managed to record an increase through our relentless marketing efforts. Circulation of the daily The Star as verified by the Audit Bureau of Circulations averaged 288,529 copies for the period ended 1 January 2011 to 30 June 2011 compared with 285,960 copies in the same period of 2010.

Readership of The Star remains strong and the Media Index survey by independent research firm Nielsen Media Research showed our weekly readership at 1.58 million from 1 January to 31 December 2011.



Starstruck 2011 participants



LI TV launch



Putra Brand Awards 2011

BUSINESS DEVELOPMENT AND OPERATIONS

In a move to widen and deepen our footprint in the media landscape, the Group activated a number of strategic initiatives. 2011 saw the Group expand our footprint to include more print and radio products and a maiden venture into TV.

We acquired Red Tomato Media Sdn Bhd which publishes Red Tomato - a free Chinese weekly newspaper offering lifestyle and business news targeted at young working adults. This is the Group's first venture into the free paper model and as a Chinese-language product, it will serve to complement our current offerings for the Chinese language market, namely our radio station 988FM and Shang Hai magazine.

The Group further strengthened its position in the radio space when we acquired Capital FM Sdn Bhd, which owns and operates radio station CapitalFM (88.9). Recognising the ever-increasing importance of women as decision-makers and consumers, the station was launched with urban women as the primary target audience. The station's programme and music direction, content and deejays are strategically created to meet the needs of this specific demographic.

In 2011, the Group made its maiden venture into the TV space with a 51% acquisition of LI TV Holdings Limited, which owns and operates LI, Life Inspired, a High Definition (HD) regional lifestyle TV channel available on ASTRO Beyond Channel 706. The channel is also broadcast over pay TV channels in Hong Kong, Singapore, Taiwan and Indonesia.

With these new product offerings, we are able to open up new revenue streams for the Company whilst at the same time reaching and connecting with new audiences.

While we future-proof the business by diversifying our portfolios, The Star newspaper remains our core product and main revenue generator. As such, it is imperative to protect the business by enhancing the unique persona of the product to remain a relevant part of the lives of all Malaysians.

After having served as The People's Paper for 40 years, The Star now goes a step further to bring journalism that inspires readers. Journalism that unites rather than divides. In addition to this, several of the Group's current stable of offerings have undergone a revamp to better meet the needs of its stakeholders. More than just ensuring we connect with audiences through different channels, we must also ensure each connection is relevant, meaningful and meets its objective.

In the digital space, The Star's online news portal is a significant player. The Malaysian Digital Association (MDA) ranked us the Number 1 Malaysian news website. We are also ranked Number 2 for all Malaysian websites.

The Company will continue to improve and innovate our digital platforms as the digital space is the future for all media.

2011 was another significant year for our radio division as we established a more prominent footing. Our stations commanded an aggregate listenership of over 4.1 million listeners, up 13% year on year as per Nielsen's second survey results of 2011.

988FM was accredited the No. 1 Chinese radio station with a new record as the Top AdEx performer in 2011 amongst all radio stations with a growth of 25% from 2010. The station topped the average listenership of all Chinese stations in all major cities, including Kuala Lumpur, Petaling Jaya, Penang, Prai, Johor Bahru and Ipoh.

To strengthen our position amongst English radio listeners, RedFM (104.9) underwent a revamp which saw a fresh offering of music, content and deejays. A similar revamp of SuriaFM (105.3) was also carried out.

Our subsidiary, Cityneon, an events, exhibitions, interior and thematic specialist, suffered some setbacks as a result of its Middle East undertakings and slower global economic growth. But Leaderonomics, which is in the leadership development training business fared better in 2011.

We also believe that corporate responsibility is an essential part of good governance and makes sound business sense. A complete write-up of our corporate responsibility initiatives can be found on pages 52 to 63.

FUTURE PROSPECTS

As we lay the foundations for a future based on being a more complete media group, we are confident that our customers and business partners will continue to entrust us with the responsibility of facilitating their brand initiatives and connecting with their audiences through our channels. Beyond this, our expansion strategy will also pave the way for new revenue streams for the group and more opportunities for collaborations with current and new partners.

These are exciting times for the Company as we bear witness to changing media consumption trends. Instead of resting on our laurels, we are charging ahead with renewed energy to not only keep up with these changes but be ahead of them.

I am confident we will continue to do well, if we innovate, are quick to seize new opportunities and nurture new talents to help take us forward. With this, your Board of Directors expects the Company to perform satisfactorily for financial year ending 31 December 2012.

DIVIDENDS

The Board of Directors had on 27 February 2012 declared a single tier second interim dividend of 6.0 sen per ordinary share and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which were paid on 18 April 2012.

The single tier second interim dividend of 6.0 sen and the special tax exempt interim dividend of 3.0 sen, together with the single tier first interim dividend of 6.0 sen and special tax exempt interim dividend of 3.0 sen paid on 18 October 2011 would make a total dividend of 12.0 sen per ordinary share under the single tier tax system and special tax exempt dividend of 6.0 sen per ordinary share, for the financial year ended 31 December 2011.

Your Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 December 2011.

APPRECIATION

On behalf of the Board, I would like to place on record, the Group's appreciation to Messrs Kuah Hun Liang and Foo San Kan who retired and resigned respectively on 26 May 2011 for their contribution to the Board.

I would also like to thank our shareholders, readers, advertisers, media agencies 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 Board also appreciates the waiver of entitlement to the 2011 performance incentive by the Executive Deputy Chairman, Datuk Vincent Lee, which has led to the Company having more funds for its Corporate Responsibility initiatives in 2012.

TAN SRI DATUK SERI DR FONG CHAN ONN
Chairman

26 April 2012



Datuk Vincent Lee
Executive Deputy Chairman

The future.

It belongs to a different kind of person.

A different kind of company.

It belongs to innovators, to value creators, and to thinkers.

It belongs to those whose imagination and creativity will give our economy the boost it needs to propel us into a high income nation.

As Malaysia sets her sights on shaping the future landscape of culture and business, we at the Star, must learn to adapt and to provide that very spark of enterprise that will strengthen our eminence as a 21st century media group.

Last year, we embarked on a journey of revitalisation.

We set forth in expanding our media properties as well as enhancing our newspaper's offerings.

The cornerstones behind this 'law of need' are the 3Ms – multi-media, multi-channel, and multi-platform – three highly tactile and different disciplinary approaches that have been put in place to ensure that we are strategically positioned to thrive in a brave, new-media world.

I am pleased to report the following progress :

- We have acquired LI TV, a lifestyle channel which is broadcasted under the same brand in several other countries such as Hong Kong, Singapore, Taiwan as well as Indonesia.
- We have added CapitalFM into our increasingly popular mix and have positioned it as a frequency targeting modern, independent women. We have also rebranded RedFM and SuriaFM as part of a conscious decision to elevate our radio group to be best-in-class and a positive contributor towards Group's revenue.
- With our acquisition of Red Tomato, a free Chinese weekly, we will be designing collaborative initiatives with 988FM – our No.1 Chinese radio station. When bundled together, the reach, power and impact of these two Chinese mediums will be a force that is unchallenged by any other media group in this country.
- Our magazines are being revamped so as to remain purposeful, competitive and profitable.

Given the many developments in digitalisation, e-papers, and next generation media, coupled with the converging of transmission routes and tools, content and culture, there is no denying that digital is indeed our future.

Our investment in IntJoors Holding AB, a Swedish company which operates the world's first 'free' high-speed mobile internet service, will enable us to offer a highly effective platform for ad targeting and interaction. As a digital media channel, it is capable of delivering advertisements in multiple interactive and visual formats, whilst providing a platform for advertisers to devise creative campaigns that can attract and engage with their customers more effectively compared to other online and traditional media channels. As of now, it is only available in Sweden and we are hoping to launch it in Asia soon.

A dedicated leadership team is also being assembled as we see Star Online and Star Classifieds spearheading our overall digital operations in years to come.

How then does our flagship, The Star, fit into this dynamic cosmos?

Rather nicely, I'd say. Considering the fact that amidst a bleak global industry outlook and downtrend, The Star experienced unprecedented growth. Circulation grew by 4% and readership increased by 11%.

Today, The Star continues to reach 1.58 million readers weekly providing our advertisers a platform to effectively engage with their stakeholders.

Without a doubt, it will take vision and artisanry in order for newspapers to secure their futures. But as we have proven, print and digital can mutually coexist with the former evolving into an imminent interactive universe.

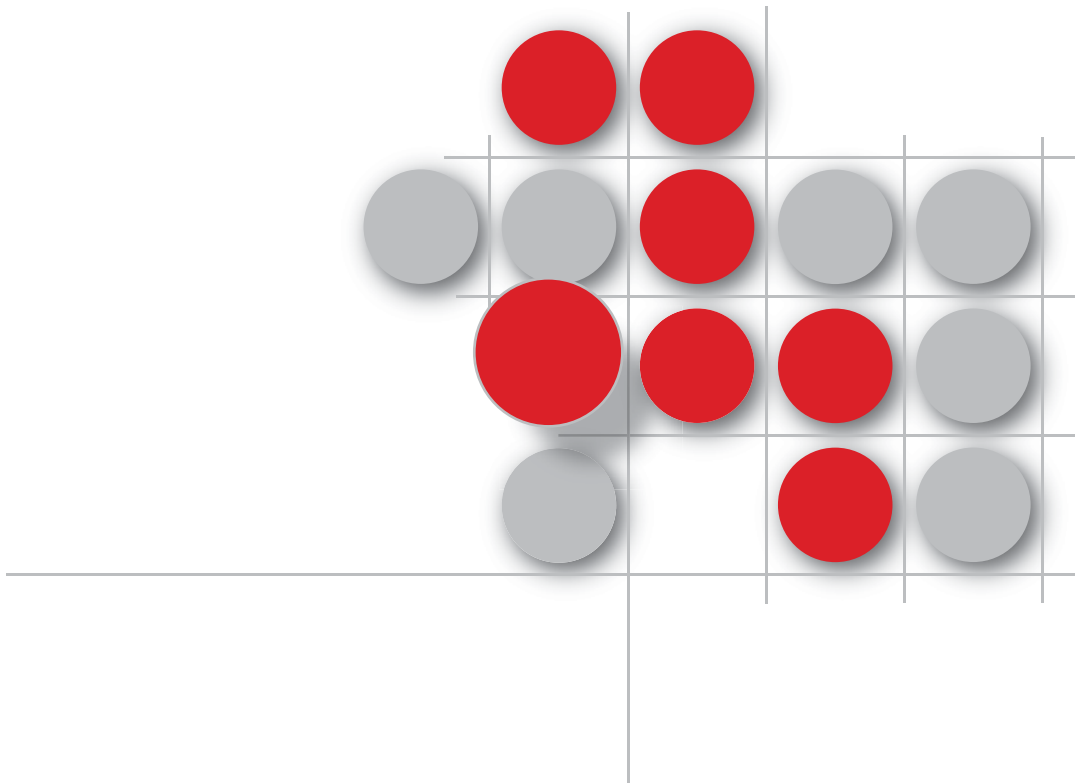
The future?

It is set to burn bright.

As bright as the Star that will continue to inspire, to create value, and to shape our Malaysia of tomorrow.

DATUK VINCENT LEE
Executive Deputy Chairman

26 April 2012



Change requires the courage of
taking that first step into the unknown.

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 of Corporate Governance ("Code") respectively. 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 a Non-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 four (4) Executive Directors, two (2) Non-Independent Non-Executive Directors and five (5) 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. Please refer to pages 16 to 21 for details of the Directors on the Board, their profiles and their respective memberships.

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.

Mr Lee Siang Chin is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

BOARD MEETINGS

Meetings for the year are scheduled at the end of the preceding year. 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. The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company.

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 Directors at Board Meetings during the financial year ended 31 December 2011 is set out as follows:

NAME OF DIRECTOR	MEETINGS ATTENDED
Tan Sri Datuk Seri Dr Fong Chan Onn *	3/3
Datuk Vincent Lee Fook Long	7/7
Mr Ho Kay Tat	7/7
Tan Sri Datuk Seri Kamal Mohamed Hashim	6/7
Datuk Seri Wong Chun Wai	7/7
Datin Linda Ngiam Pick Ngoh	7/7
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	7/7
Dato' Dr Mohd Aminuddin bin Mohd Rouse	7/7
Mr Lee Siang Chin	7/7
Dato' Yip Kum Fook	7/7
Mr Lew Weng Ho *	3/3
Mr Kuah Hun Liang #	4/7
Mr Foo San Kan #	5/7

(*) Tan Sri Datuk Seri Dr Fong Chan Onn and Mr Lew Weng Ho were appointed as Directors on 26 May 2011. They attended all Board meetings held since their appointment.

(#) Mr Kuah Hun Liang retired at the 39th Annual General Meeting and Mr Foo San Kan resigned on 26 May 2011.

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 each 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 including Tan Sri Datuk Seri Dr Fong Chan Onn and Mr Lew Weng Ho who were appointed during the year. The Board acknowledges the importance of continuous education and during the financial year 2011, the Directors have attended seminars on their own on relevant issues.

The following outlines the talks, workshops, seminars and training attended by the Directors in 2011:

NAME OF DIRECTOR	TRAINING & SEMINARS ATTENDED
Tan Sri Datuk Seri Dr Fong Chan Onn	<ul style="list-style-type: none"> • Mandatory Accreditation Programme
Datuk Vincent Lee Fook Long	<ul style="list-style-type: none"> • The High Performance Leadership Workshop
Mr Ho Kay Tat	<ul style="list-style-type: none"> • The High Performance Leadership Workshop
Datin Linda Ngiam Pick Ngoh	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • Breakfast Talk on Women in the Boardroom
Tan Sri Datuk Seri Kamal Mohamed Hashim	<ul style="list-style-type: none"> • The High Performance Leadership Workshop
Datuk Seri Wong Chun Wai	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • Assessing the Risk and Control Environment
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • Sustainability Session For Directors <ul style="list-style-type: none"> – Consumer Products, Finance, Technology & Closed End Fund • Training on Islamic Finance <ul style="list-style-type: none"> – Updates on the Financial Instruments and other related topics
Dato' Dr Mohd Aminuddin bin Mohd Rouse	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • Assessing the Risk and Control Environment • Art of War In The New Business Landscape • Key Amendments of Listing Requirements 2011 • Corporate Disclosure Guide 2011 • Corporate Governance Blueprint 2011/Overview of Chapter 10 of Listing Requirements - Transactions

NAME OF DIRECTOR	TRAINING & SEMINARS ATTENDED
Mr Lee Siang Chin	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • IT Governance and Risk Management Programme • Roles, responsibilities and key issues faced by the board members of Financial Institutions.
Dato' Yip Kum Fook	<ul style="list-style-type: none"> • The High Performance Leadership Workshop • Sustainable Leadership – Standing Apart From Others • ASEAN Corporate Governance Scoreboard & the Corporate Governance Ranking of ASEAN PLCs • The Continuing CG Agenda – Next Steps For Asia • Reporting on CG Practices – What Do People Want To Know • Oxford Union Style CG Debate – Independent Directors Are A Myth • Taking Socially Responsible Investment Practices Forward
Mr Lew Weng Ho	<ul style="list-style-type: none"> • Cloud Computing – Adapting to the Changing Needs of Business • Briefing For Directors On A Practical Approach to FRS 139 Financial Instruments: Recognition and Measurement

In addition, 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.

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	-	698,425	698,425
Salaries/incentives	12,148,445	-	12,148,445
Employers' contribution to EPF	1,578,020	-	1,578,020
Allowances/Committee allowances	-	440,531	440,531
Benefits-in-kind	910,299	231,608	1,141,907
Total	14,636,764	1,370,564	16,007,328

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

RANGE OF REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS *
RM50,000 to RM100,000	-	1
RM100,001 to RM150,000	-	2
RM150,001 to RM200,000*	-	3
RM200,001 to RM250,000*	-	1
RM250,001 to RM300,000	-	1
RM350,000 to RM400,000	1	-
RM2,150,000 to RM2,200,000	1	-
RM2,200,001 to RM2,250,000	1	-
RM3,100,000 to RM3,150,000	1	-
RM6,750,000 to RM6,800,000	1	-
	5	8

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

* Including Directors who retired/resigned during the year.

WHISTLEBLOWING POLICY

The Whistleblowing Policy was established as the Board believed that the whistleblowing system will 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 more detail later in this statement.

AUDIT COMMITTEE

The Audit Committee was chaired by Mr Foo San Kan until his resignation on 26 May 2011. Mr Lee Siang Chin has been appointed Audit Committee Chairman since. The Audit Committee comprises four (4) Non-Executive Directors, all of whom, including the Chairman, are Independent Non-Executive Directors.

The members are:

1. Mr Lee Siang Chin (Senior Independent Non-Executive Director) – Chairman
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan (Independent Non-Executive Director)
3. Dato' Yip Kum Fook (Independent Non-Executive Director)
4. Mr Lew Weng Ho (Independent Non-Executive Director) (Appointed on 26 May 2011)

Attendance of Members of the Audit Committee at meetings held during the financial year ended 31 December 2011 is as follows:

NAME OF DIRECTOR	MEETINGS ATTENDED
Mr Lee Siang Chin	5/5
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	5/5
Dato' Yip Kum Fook	5/5
Mr Lew Weng Ho (Appointed on 26 May 2011)	2/2
Mr Foo San Kan (Resigned on 26 May 2011)	3/3

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, 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 46 to 49 of this Annual Report.

NOMINATION COMMITTEE

The 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. Mr Lee Siang Chin (Senior Independent Non-Executive Director)

The Nomination Committee met twice during the year and the meeting attendance was as follows:

NAME OF DIRECTOR	MEETINGS ATTENDED
Dato' Yip Kum Fook (Appointed on 3 January 2011)	2/2
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	2/2
Dato' Dr Mohd Aminuddin bin Mohd Rouse	2/2
Mr Lee Siang Chin	2/2

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.

REMUNERATION COMMITTEE

The Remuneration Committee was chaired by Mr Kuah Hun Liang until his retirement as Director of the Company on 26 May 2011. Tan Sri Datuk Seri Dr Fong Chan Onn was appointed Remuneration Committee Chairman on 18 August 2011. 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 discussing and voting on the recommendation of their own remuneration package.

The members of the Remuneration Committee are:

1. Tan Sri Datuk Seri Dr Fong Chan Onn (Non-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)

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

Attendance of Members of the Remuneration Committee at meetings held during the financial year ended 31 December 2011 is as follows:

NAME OF DIRECTOR	MEETINGS ATTENDED
Tan Sri Datuk Seri Dr Fong Chan Onn (Appointed on 18 August 2011)	N/A
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	2/2
Dato' Dr Mohd Aminuddin bin Mohd Rouse	2/2
Mr Kuah Hun Liang (Retired on 26 May 2011)	2/2
Mr Foo San Kan (Resigned on 26 May 2011)	2/2

FINANCE COMMITTEE

The Finance Committee, chaired by Datuk Vincent Lee Fook Long comprises an Independent Non-Executive Director, a Non-Independent Non-Executive Director and two (2) Executive Directors. Its role is to review and examine investment and strategic proposals and thereafter make appropriate recommendations to the Board. The Finance Committee did not meet during the financial year.

The members of the Finance Committee are:

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

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, Mr Ho Kay Tat for and on behalf of the Board and is set out on page 85 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 judgements and estimates.

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

INTERNAL AUDIT FUNCTION

The Group's internal audit provides independent and objective assurance of the adequacy and integrity of the system of internal controls. Details of the internal audit function, together with the state of the Group's internal controls, are given in the Statement on Internal Control as set out in pages 44 to 45 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 RM457,679.

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 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.

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.starpublications.my.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2012.

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
- Reliability and integrity of financial and operational information
- Safeguarding of assets
- 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 the 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 includes 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 systems of internal controls 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 organisation structures and appropriate authority levels.
- Regular and comprehensive information provided to management for monitoring of performance against budgets covering all key financial and operational indicators.
- The Group Managing Director / Chief Executive Officer, with the input from the Risk Management Committee, reviews with the Board significant changes in internal and external environment, which affects the Group's risk profile.
- Detailed budgeting process requiring all business units to review their budgets periodically. The budgets 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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the Annual Report of the Group for the financial year ended 31 December 2011 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of internal controls.

MEMBERSHIP

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

NAME OF DIRECTOR

1. Mr Lee Siang Chin	- Senior Independent Non-Executive Director (Chairman) (Appointed as Chairman on 26 May 2011)
2. Dato' Wira Syed Abdul Jabbar bin Syed Hassan	- Independent Non-Executive Director
3. Dato' Yip Kum Fook	- Independent Non-Executive Director
4. Mr Lew Weng Ho	- Independent Non-Executive Director (Appointed on 26 May 2011)

TERMS OF REFERENCE

The terms of reference of the Audit Committee are set out on pages 48 to 49.

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, the Group Managing Director/Chief Executive Officer, and the 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.

The principal activities of the Audit Committee were 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 Executive Directors and 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.
- Considered and recommended to the Board for approval of the audit fees payable to the external auditors.
- Reviewed the independence and objectivity of the external auditors and services provided, including non-audit services. Non-audit fees totalling RM457,679 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 adequacy of 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 competency, performance and staff composition. The Audit Committee had met up with the internal auditor without presence of the Executive Directors and management.
- f) Reviewed and deliberated the internal audit reports that highlighted audit issues, recommendations and management's response. Discussed with management actions taken to improve the systems of internal controls 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 effectiveness of the risk management system and the risk assessment reports from the Risk Management Committee. Significant risk issues were summarised and communicated to the Board for consideration and resolution.
- i) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards set by the MASB-approved International Financial Reporting Standards (IFRS).
- j) 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.
- k) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- l) Reviewed the related party transactions entered into by the Group.
- m) Reviewed the procedure for implementation of Whistleblowing Policy.
- n) 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.
- o) Reviewed the relevant policies and guidelines for intercompany transactions.

INTERNAL AUDIT FUNCTION

The Group has a well-established Internal Audit Department, which reports directly 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 controls so as to provide reasonable assurance that such systems 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 controls 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 2011 amounted to RM579,948.

TERMS OF REFERENCE FOR AUDIT COMMITTEE

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 (1) 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

During the financial year 2011, the Company issued two (2) RM100 million nominal value of Medium Term Notes, with fixed interest rates of 4.5% and 4.8% per annum respectively. These notes are unsecured and have a tenure of five (5) years and seven (7) years respectively. The maturity dates for the notes are 11 May 2016 and 11 May 2018 respectively. As at the financial year ended 31 December 2011, the proceeds from the issuance were fully utilised for working capital purposes.

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 2011.

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

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

4. SANCTIONS AND/OR PENALTIES

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

5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

6. PROFIT GUARANTEE

There was no profit guarantee given by the Company.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

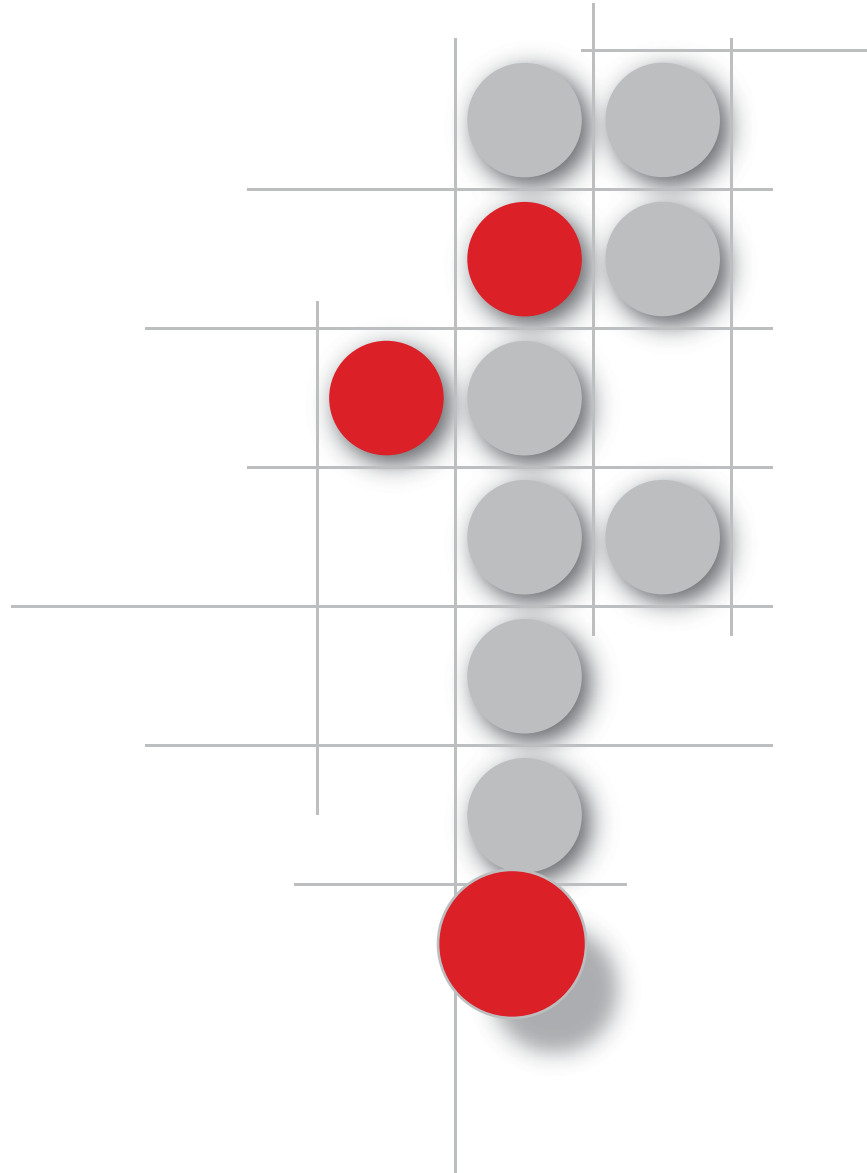
The Company did not release any profit estimate, forecast or projection. There was no variance between the results for the financial year and the unaudited results previously released by the Company.

8. MATERIAL CONTRACTS

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

9. NON-AUDIT FEES

The amount of non-audit fees paid/payable to external auditors for the financial year was RM457,679.



Our friends support us.
Our critics help us grow.

In today's business landscape, each corporate citizen must play an active role in implementing sustainable practices. As a media company, our primary focus is to first serve the community's needs. To do so, we recognise our role as a platform to advocate responsible corporate practices within the business community as well as the importance of supporting our words with action.

The Star continues to work towards a more sustainable business practice and to further engage with stakeholders to understand and address their needs.

MARKETPLACE

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

How do we demonstrate this? It has often been said that corporate responsibility is not just about how we use the money we make but how we 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 also endeavoured to keep the retail price of our publications low and 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 English dailies.

READERS' PRIVACY

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

MARKETING COMMUNICATION

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.

INVESTOR 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.



Long Service Awards Ceremony

ETHICAL PROCUREMENT

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

The supplier-buyer relationship is regularly reviewed and improved upon to comply with international standards. Our newsprint suppliers are 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.

WORKPLACE

The success of The Star over the last 40 years has largely been due to the commitment and dedication of our employees. Our strong track record of long-serving employees is a testament to our dedication in providing a supportive, engaging and conducive working environment for everyone. Nevertheless, future companies are built on the strength of the young talent it is able to attract, retain and develop and with the changing needs of the new millennial generation (21 to 35 years of age), The Star continues to adapt to remain competitive with the aim of being the employer of choice for these talents.

A significant milestone saw the creation of a new department, Group Marketing and Corporate Communication (GMCC), with the primary role of integrating the Group's marketing efforts to strengthen the Company's brand and image. This created opportunities for new talent to join the workforce and contribute to the growth of The Star.

The Company continues to invest in developing and maintaining human capital to add value to our organisation, not only to provide better services to our customers, but advertisers and business partners alike.

PROMOTING WORK-LIFE BALANCE

In promoting work-life balance for its workforce, fun activities have been held in celebration of Valentine's Day, Father's Day, Mother's Day and International Women's Day, just to name a few.

Activities in conjunction with World Environment Day, World Blood Donors Day were among others that were organised in order to create awareness among employees to highlight the importance for such causes.



The Star employees having a good time at work during the Valentine's Day Event



Shahanaaz Habib and Datuk Seri Wong Chun Wai showing their plaques from the National Press Club-Naza Awards

TALENT DEVELOPMENT

To support the Company's expansion plans, we continue to invest in upskilling our current talent pool while acquiring new talent to drive the business forward.

In year 2011, an approximate investment of RM1.5 million and close to 200 programmes had been organised.

Part of The Star's sustainability strategy involves creating opportunities for qualified talent to advance within the company and integrating these advancements with the succession planning programmes. The Company launched the Mid Talent segment under The Star Leadership Development Programme in June 2011. 25 employees from different departments were selected to participate in this programme.

The Star's management trainee programme was realised with the creation of STAR TRACK (The Star Talent Roadmap for Aptitude, Competence and Knowledge). Six fresh graduates were recruited in July and are presently undergoing graduate trainee programmes. For a period of 10 months, graduate trainees are exposed to a series of training sessions that involve departmental rotations, training in management leadership and live projects. These 'Star Trackers' are given the opportunity to immerse themselves in the daily life of a media organisation and at the end of the programme, are able to select the department which they choose to join.

In conjunction with The Star's 40th Anniversary celebration, the long service awards were presented to 87 employees in acknowledging and affirming 15 years of their continuous commitment and contribution to the Company's progression. This was the highest number of awards given in the Company's history.



World Environment Event at The Star

Philip Hii, Puvaneswary Devindran and Zora Chan at the Kenyalang Press Awards

In general, The Star's belief in being a high achiever is reflected in the many accolades won, namely the Green Media Award from Japan-based International Green Purchasing Network, Asian Digital Media Awards, Biotechnology Media Award and the Rotary Club Vocational Excellence Service Award. The Star employees had also done us proud by winning a multitude of prestigious prizes including:

- The Star journalist Christina Chin who won the Excellence Award while former journalist Ann Tan won the Special Award at the Penang State's Green Journalist Award 2011,
- Thean Lee Cheng who won an Award under the Energy Efficiency category in the Siemens Inaugural Asean Green Technology Journalism Award 2011,
- Chin Mui Yoon who won an Award under the Best Print/On-line Feature Category at the Malaysia MICE Journalism Award 2011,
- Puvaneswary Devindran, Philip Hii, Yu Ji, Zora Chan and former journalist Ng Ai Fern bagged several awards at the Kenyalang Press Awards.

Two top Awards also went to The Star at the National Press Club-Naza Awards Night. Assistant Editor Shahanaaz Habib won The NPC-Scomi Journalist of the Year while Executive Director & Group Chief Editor Datuk Seri Wong Chun Wai won the NPC-Celcom Media Personality award.

INDUSTRIAL RELATIONS

To sustain a conducive and harmonious working environment, The Star continues to adopt an open culture that employs a consultative approach in handling conflicts and resolving work related issues. This is crucial to the well-being of The Star's human capital.

The Collective Agreement (2010-2013) between the Company and the National Union of Journalists Malaysia was signed in June 2011 with a salary adjustment of 13%.



Emergency Response Team Training In Star Northern Hub, Bayan Lepas

HEALTH AND SAFETY AT WORK AND BEYOND

There has been no let up on The Star employees' continuous awareness training and area monitoring to improve safety and health at the workplace. The Occupational Safety, Health and Environment (OSHE) movement aims to achieve a safe, healthy and environmentally friendly workplace for all employees, contractors and visitors.

The culmination for year 2011 can be seen in the significant 20% reduction of incidents compared to the previous year. At all times the committee members are in a constant state of vigilance, working tirelessly in achieving the target of Zero Loss Time Injury (LTI).

In addition, Star Media Hub and Star Northern Hub have successfully organised and conducted their inaugural emergency response and fire drill in conjunction with their annual OSHE Campaign. Henceforth, fire drills will be incorporated in the annual event calendar of these locations.

ENVIRONMENT

The Star acknowledges that environment sustainability is vital to the well-being of our organisation, society and nation. As a media company that caters to the mass audience, we place high importance in translating this awareness of protecting the environment into action.

MATERIALS

RECYCLING PAPER AND INK CARTRIDGES

To offset resources used in the production of newspapers, 30% of our newsprint supply comes from recycled paper. Moreover, unsold newspapers are sent for recycling daily. This is a joint effort between The Star and several local recycling tenders. Apart from paper recycling, certified waste management companies are also involved in the handling of other used materials such as ink cartridges and newspaper printing plates where items are handled and disposed of professionally.

WATER AND WASTE MANAGEMENT

At Star Media Hub - the newspaper printing plant - waste water from the plant is managed via the **Industrial Effluent Treatment System (IETS)**. This system has been upgraded from an initial capacity of 5,000 litres per day to 10,000 litres.

The IETS treats waste water generated in the plant via a process of evaporation, aeration, filtration and absorption. The residue, in a form of sludge is categorised as scheduled waste and is disposed according to the DOE Legislation by an approved scheduled waste contractor.

This move is to ensure that there is a safe margin during the generation of waste water at present and in the future. We are currently working in making this effort consistent in all our printing plants.

Other scheduled wastes generated in our operations are waste lubrication oil, waste hydraulic oil, ink waste and materials contaminated with oil or ink. These wastes are disposed of in accordance with the legislation, whereas rags that are contaminated with oils are recycled by an approved contractor.

CARBON FOOTPRINT

At The Star, we constantly put our best foot forward in reducing carbon footprint. Apart from waste reduction efforts at our operating plants, we are extending this effort to our headquarters.

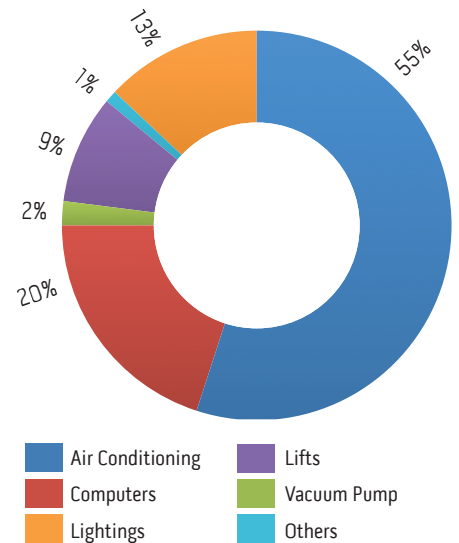
As a media company that operates round-the-clock, we continuously seek ways in reducing our impact towards the environment. This effort is carried out by continuously identifying and seeking ways to improve energy efficiency.

'Go Green' Blog - an internal online weblog has been created to continuously track and update the energy consumption at our headquarters where statistics are shared amongst The Star employees. This blog also acts as a platform in maximising employee participation in this exercise.

Air conditioning constitutes the highest percentage of general energy consumption load at Menara Star, with 55% out of the total electricity consumption load. Computers and lighting are the second and third highest consumption. Hence, our efficient energy strategies are focused on the above three major loads, not only to enhance economic benefits but ultimately to reduce carbon footprint.

The Company saw improvements in the energy efficiency management after the launch of the 'Go Green' internal campaign.

Energy consumption load at Menara Star for 2011



AIR CONDITIONING:

- Air conditioning system zoning based on peak and off peak usage at all departments
- Re-calibrating all air conditioning temperature setting between 22 to 24 degrees Celcius depending on the load requirement of each department
- Improving the maintenance of the air conditioning system to increase efficiency of electric consumption

LIGHTINGS:

- Replacing existing T8 fluorescent lights with T5 energy saving fluorescent lights at departments that operate more than 12 hours per day
- Using T5 fluorescent lights for The Star signboards

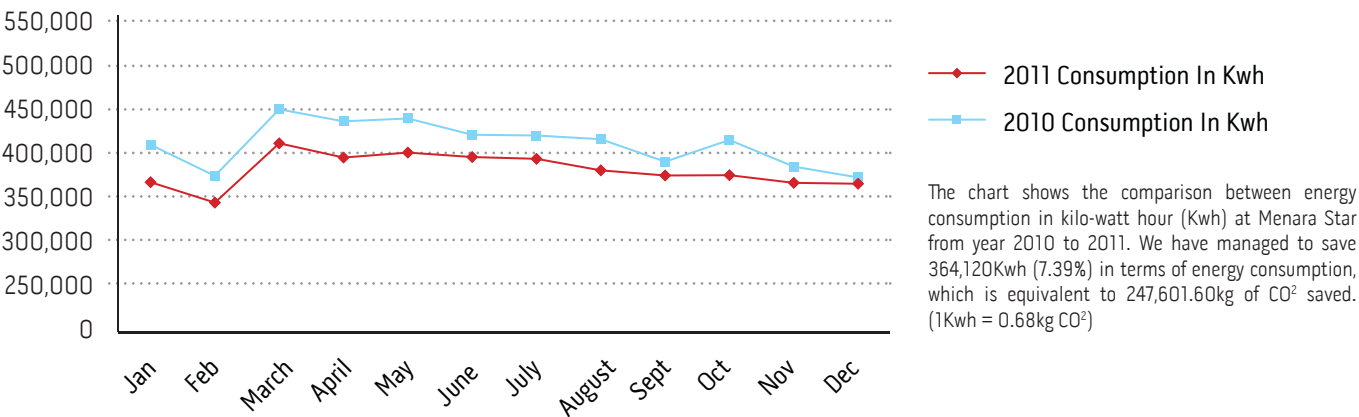
COMPUTERS:

- Auto-shut down programming of some computers at 2.30 a.m. daily
- Incorporating the use of flat screen desktop monitors that consume 90% less energy compared to CRT monitor screens

Aside from this, The Star employees are also encouraged to promote an energy efficient working environment by turning off desktop PCs, air conditioning and lights when not in use.

Furthermore, we continuously seek opportunities on using recyclable materials to reduce production costs as well as unnecessary wastage. At The Star, we present visitors with gift bags made out of used banners. We have engaged a single mother in producing these reusable hand-sewn carrier bags out of durable and water proof banner materials to help generate income for her family.

Energy consumption at Menara Star from 2010 to 2011



As a media entity, the Company is able to partner with many businesses to promote environmental causes. Themed ‘Run for a Greener PJ’, the **PJ Half Marathon 2011** was held in association with Petaling Jaya City Council (MBPJ) and the Selangor Amateur Athletics Association to promote healthy living and nurture love for sporting activities to all Malaysians. In keeping with the theme, a tree-planting ceremony was held at the vicinity of the event at Petaling Jaya Stadium in Kelana Jaya. This event garnered about 4,500 participants with 4,500 trees planted.



Participants in the PJ Half Marathon 3km family category



PJ Half Marathon, tree-planting ceremony held in conjunction with the event

StarBiz-ICR Malaysia CR Awards 2010



Launch of Malaysian Girl Guides-Maybank Disaster Fund

COMMUNITY

Leveraging on our resources, The Star is able to deliver more by putting into action the initiatives we stand for to maximise benefits to our community.

The Star is a firm believer and strong advocate of responsible corporate practices. **The StarBiz-ICR Malaysia Corporate Responsibility Awards** recognises and honours public listed companies that have successfully integrated such practices into their business strategy. The awards held this year saw an improvement from previous years with the increasing number of companies below RM1 billion market cap amongst shortlisted companies – demonstrating that a smaller market cap is not an impediment for good corporate responsibility practices.

REACHING OUT TO THE NEEDY

Malaysian Girl Guides-Maybank Disaster Fund, jointly initiated by the Girl Guides Association of Malaysia, The Star, and Maybank, was officially launched by National President of Girl Guides Association of Malaysia, YBhg Datin Seri Rosmah Mansor. In aid of Japan's disaster victims, this collection netted a total of RM1.8 million. Eventually, last-minute donations pushed the figure up to more than RM2 million and got this fundraiser into the Malaysia Book of Records. It was the first time the Girl Guides collaborated with Maybank and The Star in taking the initiative to launch a disaster fund to aid the earthquake and tsunami victims.

SPEND WITHIN OUR MEANS, PROTECT OUR POCKETS

In light of the rising cost of living in Malaysia, The Star initiated the **'Protect Our Pockets'** campaign to highlight issues faced by Malaysians following the increasing cost of basic necessities. In collaboration with the Federation of Malaysian Consumers Associations (Fomca), Muslim Consumer Association Malaysia, Malaysian Association for Shopping and High-Rise Complex Management and the Performance Management and Delivery Unit (Pemandu) under the Prime Minister's office, a roundtable discussion was held to address issues such as food, transportation, policy-making, financial education and smart consumerism for the public. This discussion resulted in eight resolutions which were documented and submitted to the Prime Minister prior to revelation of Budget 2012.



Protect Our Pockets round-table discussion

Star Publications (Malaysia) Berhad Executive Director & Group Chief Editor Datuk Seri Wong Chun Wai handing Prime Minister Datuk Seri Najib Razak a memorandum on resolutions drawn during the discussion

The Star Charity Golf Challenge 2011

TEE UP FOR CHARITY

The **Star Foundation** is the charitable arm of Star Publications (Malaysia) Berhad aimed at raising, receiving and administering funds for charitable, social and research purposes. The Star's inaugural **Charity Golf Challenge 2011** was organised in partnership with The Star Foundation and successfully raised a total of RM300,000 in aid of six charity organisations - MyKasih Foundation, Hospis Malaysia, Ti-Ratana Welfare Society, Alzheimer's Disease Foundation Malaysia, Mercy Malaysia and Persatuan Kanak-Kanak Istimewa Hulu Langat. This event was held with Deputy Prime Minister Tan Sri Muhyiddin Yassin as the guest of honour.

BID FOR CHARITY

In conjunction with our 40th anniversary campaign, **The Star Bid & Win** eight week long campaign ended on a special note with the Charity Series. This Series gave readers the opportunity to support a cause by donating unused Star Points found in the newspaper to charity homes. These points were then used by the respective charity homes to accumulate and claim prizes to help offset expenses for their organisation. Participating charity homes were Grace Community, Kirtash Handicapped and Disabled Children's Home, Pusat Hemodialisis Mawar, Seremban; Nasional Stroke Association of Malaysia (Nasam), Selangor Cheshire Charity Home, Hope Worldwide Welfare Centre, Yayasan Chow Kit and Women's Centre for Change, Penang.

WOMAN MATTERS

In supporting the cause against violence towards women, the **Woman Matters** campaign was organised in partnership with Women's Aid Organisation (WAO) to raise public awareness about issues regarding women as victims in abusive relationships. For this campaign, a series of articles, advertisements and banners had been posted to encourage readers to be proactive about protecting themselves and their loved ones from violence. The 'You Can Make a Difference Now' (MAD) campaign by WAO held simultaneously with this cause was a fundraiser campaign to educate the public on this issue as well as to support its refuge and child care centre.

The Star Bid & Win
Charity Series

RHB - The Star Mighty Minds Challenge



The Star-ESUM Public Speaking Grand Finals

HELPING STUDENTS ACHIEVE MORE

Founded in 1994, **The Star Education Fund** aims to aid high achievers overcome financial obstacles in pursuing higher education. This fund is a joint effort with numerous established local and overseas educational institutions that share the same vision. This year itself saw a total of 29 partners-in-education and more than 3,000 scholarship applications received under this fund. In 2011, 154 young aspiring students were selected to receive financial aid from the pool of RM8.65 million contributed by our partners-in-education.

BRINGING EDUCATION TO LIFE

The Star fully supports a holistic education experience, as such activates specific programmes that allow students to experience learning beyond textbooks. **RHB-The Star Mighty Minds Challenge 2011** saw Form 1 to Form 5 students compete in the ultimate test of General Knowledge, Mathematics and Science at Putra World Trade Centre. Representatives from winning schools of each state competed in model building, creative problem solving as well as quizzes, narrowing the competition down to the top five elite schools in the final round. SMK (L) Methodist Kuala Lumpur and Maktab Sultan Abu Bakar from Johor emerged champions in the lower and upper-secondary categories respectively, winning cash prizes worth RM10,000 and RM5,000.

For the ninth year, **The Star-ESUM Public Speaking Competition 2011** was organised with the aim to provide a training platform for students to voice their views and perspectives creatively and convincingly to an audience. This programme began with workshops to prepare participants for the preliminary rounds of the competition, which led to 10 finalists aged between 16 to 20 years old battling it out at the Grand Finals. Apart from cash prizes, the two top champion speakers of this competition continued to represent the country in competing with young speakers of 30 different countries at the ESU International Public Speaking competition in London.



BRATs workshop



Kuntum Dalam Darjah (KDD)



Cheer 2011



EDUCATION STARTS FROM YOUNG

Kuntum, the number one Malay language educational magazine catered for primary school children, held several events throughout the year to extend the child's educational experience beyond the pages of the magazine.

Primary school pupils were offered a chance to have an early start to personal and leadership development during the **Kuntum-Marigold Holiday Enrichment Workshops**. The workshops ran for four days at Tropicana Golf and Country Resort as well as Jungle Lodge, Gombak, with close to 600 kids participating. Team-oriented games and activities were carried out to mould their qualities in leadership, teamwork, trust and communication.

Bengkel Kecemerlangan UPSR 2011 drew hundreds of participants from primary schools around Petaling Jaya, Penang and Pahang. This programme aims to prepare them for their final primary school exams by providing syllabus revision for the four core subjects – Bahasa Melayu, English, Mathematics and Science.

In the bid to inculcate the reading habit and making learning more interactive for pupils as well as teachers, the **Kuntum Dalam Darjah (KDD) Workshop** saw a participation of 600 primary school educators situated in Selangor, Perak and Terengganu. Since its launch in October 2010, KDD has helped train library and media teachers of primary schools in crafting interactive teaching materials using printed media.

YOUTHS UNWIND!

R.AGE, The Star's pull-out catering to youths, also organised events to enable them to channel their energy in various art forms.

Participants of the **BRATs Workshop 2011** were in for an amazing local culture experience during their journalistic expedition to Kota Bharu, Kelantan. 42 aspiring young journalists took part in the four day camp where they were exposed to life as a journalist – from doing on-ground research, collecting materials for their articles, conducting interviews to crafting news articles which were eventually published in The Star's pull-out Stuff@School.



Participants of MYChallenge giving their best during the final round



MYChallenge



Artist Sivarajah Natarajan working on his mural



The once bare and unkempt wall situated in Jalan Sultan revamped with mural painting

DOING OUR PART IN PRESERVING HERITAGE

Sports and competitions are some of the effective ways to enhance youth presence in the society so as to cultivate personal growth through healthy competition. **Cheer 2011**, the annual cheerleading competition also witnessed an overflowing abundance of energy from cheerleaders and supporters alike. This event which showcases various skills and talents of youth is well received with the steady rise of competitors throughout the years. For the first time, Cheer had a breath of fresh air with its new addition – the Co-Ed category. All-boys team Mickeymitez from SMK Damansara Jaya, emerged as champions for this category. For the girls team, Cyrens and Rayvens, both from SM Sri Kuala Lumpur, Subang Jaya, emerged as champions and first runner up respectively. Cyrens successfully pulled a near-flawless routine and created their record in securing championships for two consecutive years.

The Star also ensures that creative young talents involved in music, performing arts, photography and filming are not left out. **MYChallenge**, an interschool mega competition was organised as a platform for these aspiring artistes. Participation, leadership and teamwork were also put to the test in this competition. With seven challenge categories – English Solo Singing, Duet/Group Singing, Modern Dancing, Photography, Short Film, Drama and Band – students aged between 12 and 19 were given a chance to come forward with their best performance in winning the champion title as well as cash prize of up to RM20,000. MYChallenge is endorsed by the Ministry of Education.

Heritage is equally important and integral in a society's development as it symbolises our identity as a diverse and unique multi-cultural society. In recognising this, The Star initiated the '**Preserve Our Heritage**' campaign as a show of support for heritage preservation. Apart from editorial efforts to enhance public awareness, a mural painting project involving more than 50 artists took place at the public car park next to the Jalan Sultan building. Once a blank and abandoned wall, the Jalan Sultan building now portrays the exuberant artwork expressing Malaysians' appreciation towards national treasures and the desire to protect them.



Star Education Fair 2011



Starstruck participants

Q1

- The Star welcomes Datuk Vincent Lee as Executive Deputy Chairman while Mr Ho Kay Tat was appointed as Executive Director.
- Malaysian Digital Association (MDA) ranks The Star Online as the top news portal visited by Malaysians.
- This year marked the largest ever **Star Education Fair 2011** as we hosted 168 exhibitors occupying 553 booths. Close to 60,000 people came to visit the fair. **Star Education Fund** offered 215 scholarships pledged by 29 partners-in-education, worth a total of RM8.65 million.
- The hunt for 40 **Starstruck!** youngsters began. This year-long hands-on journalism course for students between Form 1 to Upper 6 was designed to promote literature and writing, as well as to cultivate young writers from all over Malaysia.

The Star introduced **Step Up**, a new education pullout for Chinese vernacular schools. **Step Up** is published on alternate Thursdays and offers syllabus-based content for pupils in Year 4, 5 and 6.

The revamped **Stuff@School** made its debut. This pullout focuses on English Literature with much of its content contributed by students given an opportunity to be featured in the leading English daily.





Putra Brand Awards 2011



StarBiz-ICR Malaysia Corporate Responsibility Awards

Q1 (cont'd)

- The **Star Charity Golf Challenge 2011** helped raise RM300,000 for charity during its inaugural event. Organised in partnership with The Star Foundation, Deputy Prime Minister Tan Sri Muhyiddin Yassin and The Star Executive Deputy Chairman Datuk Vincent Lee presented cheques of RM50,000 to representatives of the six charity organisations.
- The Star received the Silver award (Media & Entertainment category) at the inaugural **Putra Brand Awards 2011**. The Star was the only print media with an award under that category.
- **The StarBiz-ICR Malaysia Corporate Responsibility Awards** ceremony was held at Intercontinental Hotel which saw six companies winning in eight categories. This award is a partnership between The Star and Institute of Corporate Responsibility Malaysia (ICR Malaysia), supported by the Securities Commission and Bursa Malaysia.



Galaxie & Youth Carnival Penang 2011



Star Outstanding Business Awards 2011 (SOBA 2011)

Q2

- Galaxie, The Star's fortnightly entertainment magazine, was voted the 'Entertainment Magazine of the Year' in a survey carried out by Advertising + Marketing (A+M). The **Galaxie & Youth Carnival** held in Penang, was organised for the third year in a row with throngs of people descending to Penang Times Square to join in the fun, games and activities.
- Star Outstanding Business Awards 2011 (SOBA 2011)** returned for the 2nd year to pay tribute to up-and-coming local non-listed companies and SMEs striving to carve a niche in the business world. SOBA forums were also organised to guide participants on their journey to success, recognition and outstanding achievement. The forums were held at Johor Bahru, Penang, Kuching and Kuala Lumpur.



40th anniversary edition of The Star



Ipoh Starwalk 2011



Opening of The Star Office in Ipoh, Perak



Launch of Gooroo

Q2 (cont'd)

- The Star launched a new education website, **gooroo.my**, to provide home-based learning for children and secondary school students.
- The Star celebrated its **40th year in publication** with a refreshed offering, focused on journalism of hope and with a fresh new look for many of its sections as well as new columnists offering their own perspective on different issues of interest.
- More than 14,200 people took part in **Ipoh Starwalk 2011**, which was held in conjunction with Ipoh City's 23rd anniversary. Participants were able to take in some of the heritage sites as the new route passed historical landmarks such as an ancient Sikh temple, a Methodist church and an army camp dating back to the colonial days.
- It was a double celebration with the launch of the new **Metro Perak** pullout, together with the opening of The Star's Ipoh office in Lorong Chung Thye Phin.



LI TV media preview session



'In Perfect Harmony' Musical



Final show of 'In Perfect Harmony'

Q3

- Star Publications (Malaysia) Berhad makes a maiden venture into TV broadcast via a 51% stake in **LI TV Holdings Limited**, owner and operator of **Life Inspired**, a high-definition (HD) pan-regional lifestyle TV channel.
- The Star received the **Green Media Award** from Japan-based International Green Purchasing Network. It was the first time the non-governmental organisation conferred such an award. Its chairman, Prof. Ryoichi Yamamoto described The Star's environmental performance as impressive.
- Malaysians joined in the celebration of the The Star's 40th Anniversary as we presented, **In Perfect Harmony**, an original musical production from Dama orchestra. The production chronicled the changing Malaysian lifestyles and trends over the years via music and dance. All shows were packed to the brim as audiences were taken for a musical journey through time.
- The **Bengkel Kecemerlangan Kuntum UPSR 2011** held in 2011 was a hit. Students at the school clamoured to answer questions posed by trainers on the four core subjects – Bahasa Malaysia, English, Science and Mathematics. About 200 students from the Klang Valley attended the Petaling Jaya workshop. The Kuntum UPSR workshop was on a three-city tour, which started in Petaling Jaya then Penang and Pahang. An average of about 150 to 200 students participated in each workshop.





Penang Starwalk 2011



Mag Inc 2011

Q3 (cont'd)

- Some 20,000 participants turned up for **Penang Starwalk 2011**, which was the highest number of people since its inception. The event featured a new heritage route, in conjunction with The Star's 40th anniversary celebrations, as well as a charity walk themed 'Walk With Us' that saw the participation of those being cared for by seven charities.
- To kickstart the celebration of its 40th anniversary, The Star featured articles from the past 40 years, bringing readers back down memory lane with stories ranging from sports to entertainment and headlining news. These articles could be seen amongst the pages of the newspaper each day for the month of September and readers were also given opportunity to download The Star's first issue on PDF from the 40th anniversary microsite.
- Protect Our Pockets** initiative was launched to highlight key issues faced by Malaysians in relation to the rising cost of living. The roundtable discussion featured eight panellists who discussed various topics surrounding this issue during the three-hour discussion. The outcome of the discussion was a list of resolutions that was presented to the Prime Minister by The Star's Group Chief Editor, Datuk Seri Wong Chun Wai.
- The Mag Inc 2011** – a competition for students – received a total of 55,000 entries this year. Meanwhile, the number of participants in the contest increased by almost 170,000 students, which was a 38% rise, compared with last year's contest figures. The **Newspaper-in-Education (NiE)** contest was organised by The Star and Pizza Hut, in collaboration with the Ministry of Education and was themed 'Speak Out!'.





Preserve Our Heritage



The Star Bid & Win Contest

Q4

- The Star embarked on a campaign – **Preserve Our Heritage** – to raise awareness for the need to preserve historical areas, sites and buildings for future generations. To kickstart the campaign, we pooled together a group of 50 artists of various disciplines to paint a mural on a shop-house located at Jalan Sultan. The mural has now become an attraction in the area.
- The **Star Outstanding Business Awards 2011 (SOBA 2011)** awards ceremony was held at the Royale Chulan Kuala Lumpur. 27 awards in 11 categories were presented out of 115 entries received from 83 companies.
- The Star Bid & Win** promotion comprised of four series, where each series lasted for two weeks. Eight prizes were offered for bidding in each series. The promotion was part of The Star's 40th anniversary celebrations. UOB and Peugeot were partners in the promotion. The prizes put up for bidding were worth more than RM300,000.
- Hotshots**, a coffee table book that documented images of historical moments over the four decades by The Star's photographers, was launched by Information, Communications and Culture Minister Dato' Seri Utama Dr Rais Yatim. The publication of the book was in conjunction with The Star's 40th anniversary celebrations.



CapitalFM presents their deejays



Asian Digital Media Awards 2011

Q4 (cont'd)

- The Star's new English radio station **CapitalFM** was launched on the airwaves with a new identity and personality, targeted predominantly at women. With a tagline 'Women – The New Capital', the station aims to reach out to urban and contemporary women through engaging topics and a varied range of adult contemporary music.
- The Star took home 3 awards during the **Asian Digital Media Awards 2011**. The Star's Youth brand, R.AGE, won best Social Media. The Star iPad application won gold for 'Best in Tablet Publishing' and a bronze medal was awarded for the video 'Disappearing Underwater Rainforest' in Best in Online category.
- In a strategic move to reach out to the Mandarin-speaking community, the Company announced a proposed acquisition on 1 December 2011 to acquire 83.61% stake in publisher Red Tomato Media Sdn Bhd for RM1.49 million. **Red Tomato** is a free Chinese weekly tabloid. The acquisition expands the Group's footprint in the media industry and complements its portfolio of media entities. It is also the Group's first venture into the free newspaper model, and the acquisition was successfully completed in early January 2012.

MESSAGE FROM

RedFM, CapitalFM,
988FM and SuriaFM

red fm

capital fm^{88.9}
WOMEN - THE NEW CAPITAL

988
最好听

Suria
Cerikan Duniaamu

Our multi-lingual radio stations under the Star Radio Group umbrella continue to achieve new milestones in 2011 in terms of listenership, Advertising Expenditure (AdEx), reach and financial performance.

Listenership-wise, the Star Radio Group grew 13% year-on-year as per Nielsen's second survey results of 2011. Our Chinese station, 988FM, maintained its stronghold of over 1.5 million listeners whilst SuriaFM, our Malay station, achieved a new record as the fastest growing station among the Malay Radio market with over 2.3 million listeners, a 22% growth year on year. Our English station, RedFM's listenership grew by 36% to 296,000.

RedFM DJs



According to Nielsen Media Research AdEx in 2011, the Star Radio Group had an outstanding AdEx growth of 20%, four times higher than the overall radio industry's growth of only 5%. Our AdEx market share grew to reach 21%, up 2% from 2010.

From our stronghold in Peninsular Malaysia, 2011 also saw the expansion of our airtime presence reaching the shores of East Malaysia with SuriaFM setting up a new radio studio at 1Borneo, Sabah's largest shopping mall.

Reflecting the Star Radio Group's outstanding business achievements, our financial performance also stepped up a notch in 2011, achieving higher revenues and improved profitability.

988FM achieved the Top spot in terms of AdEx in 2011 which demonstrates strong Advertising support as Advertisers' confidences were bolstered by our reach to the high spending and decision making groups in all major cities.

RedFM's year-long exciting contests continue to garner support from ardent listeners which include RedFM's 'International Concerts Flyaways', which offers exclusive prizes of sending winners to Justin Bieber's concert in Miami, USA; Taylor Swift in Manchester and Rihanna's concert in Sydney, Australia as well as RedFM's 'Runaway DJs' hitting the streets and getting listeners hooked on the radio in search of the DJs.



988FM DJs



SuriaFM bulldozed its way with ground events with the highlight of the year, Konsert Kemuncak SuriaFM 2011 held in Putrajaya for the second year running which attracted a crowd of over 30,000. SuriaFM also organised nationwide road tours for 'Band Kampus Terbaik 2011', 'Goreng Tour' and 'Bazaar Ramadhan tour' as part of survey promotions.



SuriaFM DJs

CapitalFM DJs



Adding on to our trophy chamber, 988FM's Korean programme shone in 2011 resulting in Star Rfm being awarded the Best Media Partner 2011 by Korea Tourism Organisation. SuriaFM's DJ Lin had a double-honour at Anugerah Seri Angkasa 2011 Awards by triumphing in the 'DJ Radio Wanita Terbaik' and 'Rancangan Interaktif Radio Terbaik' categories.

One of the major highlights for 2011 included the relocation of the Star Radio Group's offices and studios to a new premise at Tropicana City Office Tower in the heart of Petaling Jaya. The more avant-garde office ambiance certainly enhanced the working environment and heightened productivity.

2011 culminated on an eminent note with the latest addition to our Group, CapitalFM with its tagline 'Women - The New Capital', being Malaysia's first women's radio station making its debut in December 2011. The station is targeted at urban women from the age 25 to 35 in Klang Valley and aims to act as a sounding board as well as a platform for introducing topics addressing emotional and intellectual needs of women.

Going forward, the Star Radio Group, with enhanced integration aims to reach uncharted waters, achieve new milestones and add dynamism to The Star media group by combining synergistically with the print and digital operations.

MESSAGE FROM

ANNE CHAN,
GENERAL MANAGER,
LIFE INSPIRED



2011 has been an exciting year for LI, Life Inspired, a year of many firsts for us, as we continue to promote inspirational living through our content – Food, Home, Wellness, Travel and Style.

We launched our first original production, 'Quest For Stars', debunking the myths behind the Michelin Guide in Hong Kong and Macau. Soon after, we launched our second original series, The Maverick Chef, featuring Chef Alvin Leung on a molecular gastronomy adventure across Asia, the world's first.



Chef Alvin Leung of The Maverick Chef



LI Anniversary & launch of the Faces of LI event at Sultan Lounge, Mandarin Oriental



Our network celebrated a new investor, Star Publications (Malaysia) Berhad, on board. The continued expansion of LI and rollout of more original productions were accelerated, and our channel is providing more Asian content, packaging, faces and brands than ever before. We established our local and regional sales offices, selling regional advertising in eight countries, as well as production bureaus in five markets.

Our regional expansion continued with the launch on kbro, Taiwan's leading cable platform; Chunghwa Telecom MOD, Taiwan's leading IPTV platform; and bbTV, the IP-TV arm of Hong Kong Broadband Network in Hong Kong. The landings increased our subscriber base to over 900,000 in Taiwan alone.

We launched our Faces of LI – four personalities from around the region – Jason Godfrey of Hong Kong, Hannah Al Rashid of Indonesia, Angelique Teo of Singapore, and David Yee of Malaysia – as the hosts for our two-minute vignettes called 'The Link' that captures the essence of inspirational living, featuring the latest lifestyle trends across Asia and beyond.

Having only started our broadcast in the region in August 2009, we have come a long way to establish our presence in five countries and 12 cable and satellite platforms in Hong Kong, Singapore, Indonesia, Malaysia and Taiwan – all within two years since the channel first launched.

In 2012, we intend to launch in more exciting markets, solidify our digital platforms and create more exciting content, with 'EdVentures in Asia', where Korean celebrity chef Edward Kwon travels and 'Koreanizes' each Asian country's local dishes. Set to launch is also 'Body Blaze', a workout programme taking exercising outdoors, featuring Malaysia's best scenic wonders. High Definition (HD) is definitely the way forward; as Asia's first lifestyle channel in HD and the first HD channel in Malaysia, we have first-mover advantage.

I would like to thank all of the people at Life Inspired, Star Publications (Malaysia) Berhad and ASTRO who are dedicated and focused on delivering results for success. Our progress in 2011 established a solid foundation from which to move us forward.



MESSAGE FROM

GAN CHIN KEW,
MANAGING DIRECTOR,
RED TOMATO



Red Tomato is the only free Chinese weekly newspaper in the country. Since its launch in 2009, Red Tomato is published every Friday and distributed in Klang Valley and the Northern region of Malaysia. Following the acquisition of the company by Star Publications (Malaysia) Berhad, we subsequently underwent an editorial revamp. Our distribution is now at 200,000 copies nationwide, covering all major market centres and urban areas.

Red Tomato aims to provide insightful and relevant information on current trends and issues. With 70% of our readers under the age of 40, our editorial content is presented in a lively manner, featuring topics on lifestyle, fashion, gadgets, health and beauty, personality, money matters, business, current issues and a list of other subjects of interest.

At present, Red Tomato is distributed at condominiums, commercial and office building, transportation hubs, banks, petrol kiosks, higher learning institutions and road shows – locations where our readers have direct access to our papers.

As an effective and efficient medium for public communication and commercial, Red Tomato is now the free Chinese weekly of choice.



The new look of
Red Tomato

MESSAGE FROM

KO CHEE WAH,
 GROUP MANAGING DIRECTOR,
 CITYNEON HOLDINGS LIMITED



Republic of Singapore Air Force Open House 2011



International Air Travel Association Annual General Meeting 2011



Sino - Singapore GuangZhou Knowledge City SmartCity visualisation



Ministry of Community, Youth & Sports Volunteers Award Ceremony

Our Middle East operations (with headquarters in Bahrain), which traditionally has always contributed significantly to our Group's overall performance, was severely affected by the political turmoil that raged across the countries in that region for the whole of financial year (FY) 2011. Businesses were brought to a standstill, and some of our major projects were either postponed or cancelled. Our Group took proactive steps to compensate for this setback by trying to boost growth in other regions and sectors. However, with the completion of the Universal Studios in Sentosa, thematics works in this location have tapered off. There were also no major world-scale events like the 2010 World Expo in Shanghai and Youth Olympics Games in FY2011. The performance of our Exhibitions and Sports sectors were similarly affected.

For the Middle East, we will continue to operate from our base in Bahrain, but will fan out and explore more opportunities in the Gulf region, especially those that have not been affected by any political upheavals or regime changes. These include countries like United Arab Emirates, Oman and Qatar. In Asia, we will continue to invest in the growth of our Interior Architecture business as an alternative growth platform. This sector registered a 141% growth in FY2011 (from S\$6.11 million in FY2010 to S\$14.73 million in FY2011), and we expect this to continue to grow in FY2012. We will also continue to invest in and grow our Sports Infrastructures business in the coming year. The outlook for our Meeting, Incentive, Convention and Exhibition (MICE) business remains challenging as the United States of America is still in the midst of recovering from its last recession, while the European Union countries are struggling with the onset of their sovereign debt problems. Competition remains very keen with downward pressure on prices and margins. Nonetheless, we are committed to defend our market share in this sector.

Transformers Attractions,
Universal Studios Singapore

The DIODE camp in December 2011 with the theme "Don't be a Hero - BE A LEADER"



MESSAGE FROM

ROSHAN THIRAN,
CHIEF EXECUTIVE OFFICER,
LEADERONOMICS SDN BHD



COMMUNITY

Leaderonomics embraces the responsibility to our community and are passionate about working in, for and with the communities we belong to.

2011 saw the set-up of the Leaderonomics University division. The Youth division, continued their growth in the signature DIODE Youth Leadership Camps but also expanded and built DropZone, a kids-at-risk community centre and pioneered leadership clubs in schools in 2011.

Leaderonomics is a unique social enterprise with a core mission of transforming nations through leadership development. A 'cradle-to-grave' leadership solution provider with a vision to grow people into leaders, build affectionate communities and to transform the nation, we have grown to become the model social enterprise in the country.

With a vision centred on helping everyone build their leadership capabilities and helping them grow into community leaders that make a difference in the world, Leaderonomics also reflects the Group's commitment to volunteerism, giving and inspiring people.

Leaderonomics' 3 core areas – Corporate, Media and Community Service – all work in tandem, complementing each other in funding, content creation and providing leadership development, contributing to its core mission of growing people into leaders.

CORPORATE SERVICES

In 2011, Leaderonomics had double digit growth in its corporate services by providing world-class training and development programmes, assessment services, talent acceleration programmes and specialised consulting services. With its unique experiential and action-learning approach, Leaderonomics grew its client base to multinational organisations outside of Malaysia. In 2011, Leaderonomics began offering assessment services. Leaderonomics also became a pioneer in the Asia market with its unique Talent Acceleration programme (TAP) designed for hi-potentials in organisations.

MEDIA

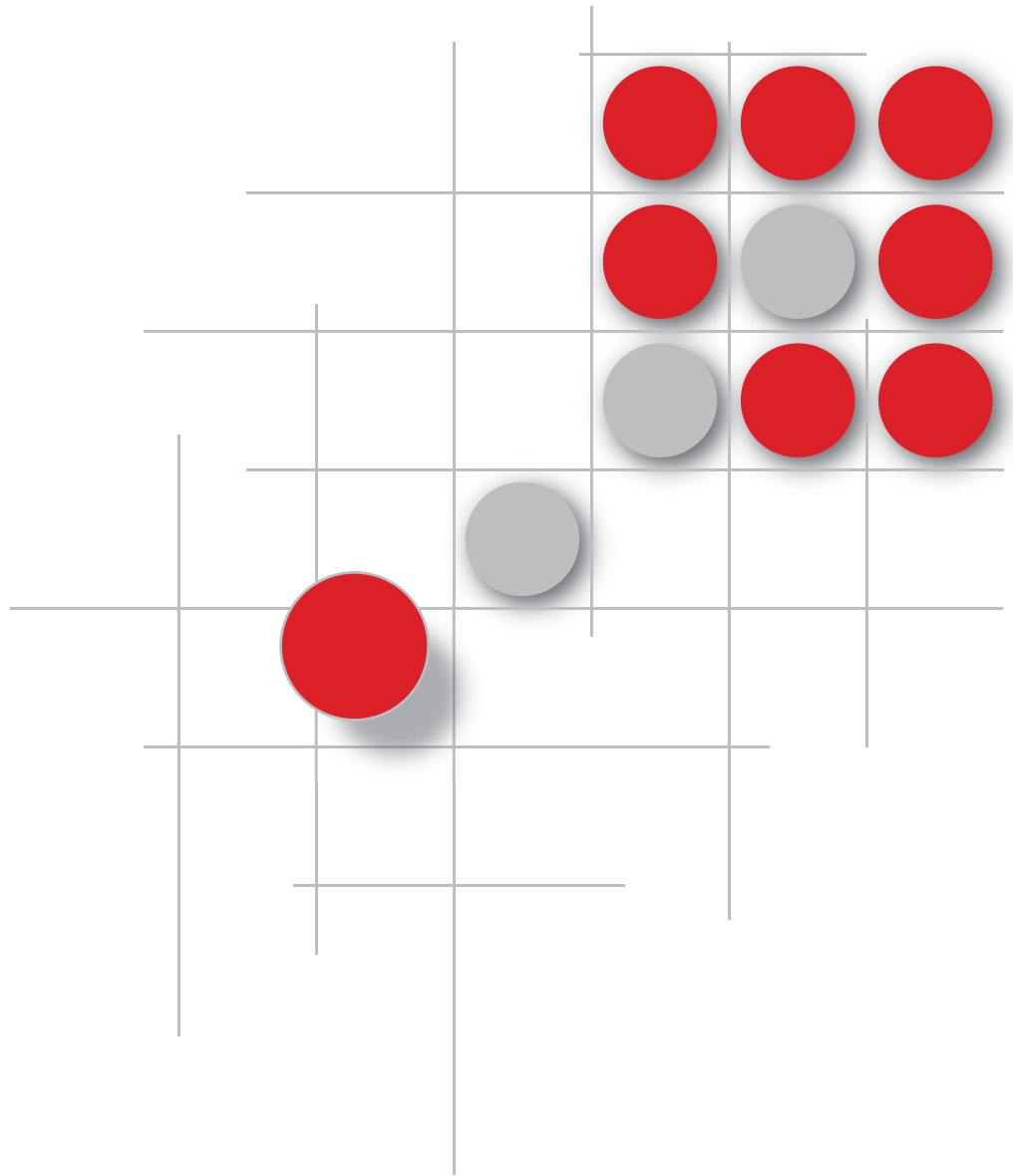
Much of the content on leadership is text-based and in 2011, Leaderonomics began investing in converting text-based leadership material to video, audio and interactive-text, enabling leadership material to be accessible to all communities, including the youth. Leaderonomics plans to launch a full-blown LeadershipTV channel by 2013.



The Leaderonomics Team at "Life at Leaderonomics" event

Youths at the DIODE leadership camps having fun kayaking






Success is ensured
when you have the courage to move forward
no matter what happens.



Financial Statements

80 - 84	Directors' Report
85	Statement by Directors
85	Statutory Declaration
86 - 87	Independent Auditors' Report
88 - 89	Statements of Financial Position
90	Statements of Comprehensive Income
91 - 93	Statements of Changes in Equity
94 - 96	Statements of Cash Flows
97 - 202	Notes to the Financial Statements



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 2011.

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 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS OF OPERATIONS

	Group RM'000	Company RM'000
Net profit for the financial year	185,312	177,597
Attributable to:		
Owners of the parent	186,665	177,597
Non-controlling interests	(1,353)	-
	185,312	177,597

DIVIDENDS

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

- (a) 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 were paid on 19 April 2011.
- (b) A first 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 2011 were paid on 18 October 2011.

Subsequent to the financial year, on 27 February 2012, 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 2011. The dividends are payable on 18 April 2012 to the shareholders whose names appear in the Record of Depositors at the close of business on 30 March 2012.

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:

Tan Sri Datuk Seri Dr Fong Chan Onn	(appointed on 26 May 2011)
Datuk Vincent Lee Fook Long	
Mr Ho Kay Tat	
Tan Sri Datuk Seri Kamal Mohamed Hashim	
Datuk Seri Wong Chun Wai	
Datin Linda Ngiam Pick Ngoh	
Mr Lee Siang Korn @ Lee Siang Chin	
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	
Dato' Dr Mohd Aminuddin bin Mohd Rouse	
Dato' Yip Kum Fook	
Mr Lew Weng Ho	(appointed on 26 May 2011)
Mr Kuah Hun Liang	(retired on 26 May 2011)
Mr Foo San Kan	(resigned on 26 May 2011)

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 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 1.1.2011	Bought	Sold	Balance as at 31.12.2011
Direct interests in the Company				
Datuk Vincent Lee Fook Long	168,300	60,000	-	228,300
Datin Linda Ngiam Pick Ngoh	591,000	200,000	(92,000)	699,000
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	-	-	100,000
Datuk Seri Wong Chun Wai	4,000	6,000	-	10,000
Indirect interests in the Company				
Datin Linda Ngiam Pick Ngoh	400,000	87,000	(200,000)	287,000
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 or options over ordinary shares of the Company and 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 position 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 amounts written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (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 the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period are disclosed in Note 42 to the financial statements.

AUDITORS

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

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

.....
Datuk Vincent Lee Fook Long
Director

Petaling Jaya
15 March 2012

.....
Mr Ho Kay Tat
Director



In the opinion of the Directors, the financial statements set out on pages 88 to 202 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 position of the Group and of the Company as at 31 December 2011 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

Petaling Jaya
15 March 2012

.....
Mr Ho Kay Tat

Director



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 88 to 202 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
15 March 2012

)
)
)
)

RAGESH RAJENDRAN

Before me:
SOONG FOONG CHEE
(No. B158)
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Star Publications (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2011 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 88 to 201.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of 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 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 position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 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 auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the 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

2495/01/14 (J)

Chartered Accountant

Kuala Lumpur

15 March 2012

	Note	2011 RM'000	Group 2010 RM'000	2011 RM'000	Company 2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	526,644	580,225	497,786	556,605
Investment properties	8	8,495	16,068	8,495	16,068
Intangible assets	9	98,335	54,653	-	-
Investments in subsidiaries	10	-	-	172,582	122,582
Investment in an associate	11	6,567	10,144	6,567	10,144
Investment in a jointly controlled entity	12	7,402	11,322	7,402	11,326
Other investments	13	54,340	44,262	47,518	38,007
Deferred tax assets	14	60	574	-	-
Total non-current assets		701,843	717,248	740,350	754,732
Current assets					
Inventories	15	139,449	210,502	138,745	209,832
Other investments	13	5,000	5,000	5,000	5,000
Trade and other receivables	16	212,304	190,058	177,243	160,156
Current tax assets		276	87	-	-
Cash and cash equivalents	17	493,683	216,688	345,598	92,889
Total current assets		850,712	622,335	666,586	467,877
Non-current assets held for sale	18	32,418	24,120	32,418	24,120
TOTAL ASSETS		1,584,973	1,363,703	1,439,354	1,246,729

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

	Note	2011 RM'000	Group 2010 RM'000	2011 RM'000	Company 2010 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	738,564	738,564	738,564	738,564
Treasury shares	19	(225)	(225)	(225)	(225)
Reserves	20	327,320	269,883	275,625	230,958
		1,065,659	1,008,222	1,013,964	969,297
Non-controlling interests		40,195	27,335	-	-
TOTAL EQUITY		1,105,854	1,035,557	1,013,964	969,297
Non-current liabilities					
Medium Term Notes	21	200,000	-	200,000	-
Borrowings	22	7,194	42,066	-	-
Deferred tax liabilities	14	72,570	79,026	71,028	78,435
Total non-current liabilities		279,764	121,092	271,028	78,435
Current liabilities					
Trade and other payables	24	132,431	138,855	142,832	135,395
Borrowings	22	55,335	2,698	-	-
Commercial Paper	21	-	50,367	-	50,367
Current tax payable		11,589	15,134	11,530	13,235
Total current liabilities		199,355	207,054	154,362	198,997
TOTAL LIABILITIES		479,119	328,146	425,390	277,432
TOTAL EQUITY AND LIABILITIES		1,584,973	1,363,703	1,439,354	1,246,729

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

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	25	1,067,668	1,061,700	820,002	802,279
Cost of sales and services	26	(404,882)	(412,441)	(271,032)	(266,305)
Gross profit		662,786	649,259	548,970	535,974
Other income		26,885	29,242	20,434	60,673
Distribution costs		(178,222)	(170,269)	(157,061)	(152,888)
Administrative and other expenses		(247,331)	(236,183)	(163,001)	(167,654)
Finance costs	27	(9,044)	(6,901)	(11,190)	(5,324)
		255,074	265,148	238,152	270,781
Share of losses of an associate	11	(687)	(1,767)	-	-
Share of losses of jointly controlled entity/entities	12	(3,856)	(4,574)	-	-
Profit before tax	28	250,531	258,807	238,152	270,781
Tax expense	29	(65,219)	(68,639)	(60,555)	(63,670)
Profit for the financial year		185,312	190,168	177,597	207,111
Other comprehensive income:					
Fair value gains on available-for-sale financial assets		133	100	-	-
Foreign currency translations		4,630	(5,663)	-	-
Other comprehensive income, net of tax		4,763	(5,563)	-	-
Total comprehensive income		190,075	184,605	177,597	207,111
Profit attributable to:					
Owners of the parent		186,665	184,941	177,597	207,111
Non-controlling interests		(1,353)	5,227	-	-
		185,312	190,168	177,597	207,111
Total comprehensive income attributable to:					
Owners of the parent		190,064	180,991	177,597	207,111
Non-controlling interests		11	3,614	-	-
		190,075	184,605	177,597	207,111
Earnings per ordinary share attributable to equity holders of the Company (sen)					
- Basic	30	25.28	25.04		

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

Group	Attributable to equity holders of the Company							Non controlling interests 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 on the adoption of FRS 139	-	-	-	-	-	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 20)	-	-	-	-	387	-	387	221	608
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(2,430)	(2,430)
Dividends (Note 31)	-	-	-	-	-	(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.

Group	Attributable to equity holders of the Company						Total attributable to owners of the parent RM'000	Non -controlling interests 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			
Balance as at 31 December 2010	738,564	(225)	100	20,721	536	248,526	1,008,222	27,335	1,035,557
Total comprehensive income	-	-	133	3,251	15	186,665	190,064	11	190,075
Transactions with owners									
Additional non-controlling interests arising on business combinations (Note 32)	-	-	-	-	-	-	-	13,978	13,978
Share options granted under ESOS of a subsidiary (Note 20)	-	-	-	-	303	-	303	174	477
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(1,303)	(1,303)
Dividends (Note 31)	-	-	-	-	-	(132,930)	(132,930)	-	(132,930)
Total transactions with owners	-	-	-	-	303	(132,930)	(132,627)	12,849	(119,778)
Balance as at 31 December 2011	738,564	(225)	233	23,972	854	302,261	1,065,659	40,195	1,105,854

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

Company	Share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 31 December 2009	738,564	1,722	(225)	449,353	1,189,414
Effects on the adoption of FRS 139	-	-	-	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 31)	-	-	-	(427,403)	(427,403)
Balance as at 31 December 2010	738,564	1,722	(225)	229,236	969,297
Total comprehensive income	-	-	-	177,597	177,597
Dividends (Note 31)	-	-	-	(132,930)	(132,930)
Balance as at 31 December 2011	738,564	1,722	(225)	273,903	1,013,964

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

	Note	Group 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		250,531	258,807	238,152	270,781
Adjustments for:					
Allowance for credit losses:					
- third parties	16(h)	2,447	2,023	876	52
- subsidiaries	28	-	-	708	2,446
Allowance for credit losses no longer required	16(h)	(1,155)	(714)	(127)	(573)
Amortisation of radio licence	9(b)	1,312	425	-	-
Amortisation of television programmes rights	9(c)	547	-	-	-
Amortisation of club membership	9(d)	269	269	-	-
Bad debts written off		5	170	2	-
Depreciation of investment properties	8	375	610	375	610
Depreciation of property, plant and equipment	7	46,466	47,625	40,058	42,137
Dividend income		-	-	-	(39,455)
Fair value gain on other investments	28	(307)	(1,486)	(307)	(1,486)
Impairment losses on:					
- goodwill on consolidation	9(a)	-	602	-	-
- investment in an associate	11	2,890	-	3,577	2,095
- investment in a jointly controlled entity	12	64	-	3,924	8,680
Interest expenses	27	9,044	6,901	11,190	5,324
Interest income	28	(11,283)	(13,533)	(8,528)	(7,742)
Investment income	28	(2,772)	(3,741)	(2,772)	(3,741)
Gain on disposal of investment properties		(162)	-	(162)	-
Gain on disposal of non-current assets held for sale		(1,383)	-	(1,383)	-
Loss on disposal of investment in a jointly controlled entity	33	-	42	-	64
Net loss/(gain) on disposal of property, plant and equipment		572	(164)	569	(179)
Property, plant and equipment written off		1,197	1,254	275	1,197
Provision for unutilised staff leave	24(f)	943	541	-	347
Share of losses in an associate		687	1,767	-	-
Share of losses in jointly controlled entity/entities		3,856	4,574	-	-
Share options granted under ESOS		477	608	-	-
Unrealised loss on foreign exchange transactions		-	-	1,059	2,424
Operating profit before working capital changes		304,620	306,580	287,486	282,981

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

	Note	Group 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Operating profit before working capital changes		304,620	306,580	287,486	282,981
Changes in working capital:					
Inventories		71,592	(125,005)	71,087	(125,174)
Trade and other receivables		(16,953)	2,369	(1,168)	(11,920)
Trade and other payables		(25,076)	(18,238)	1,437	9,567
Cash generated from operations		334,183	165,706	358,842	155,454
Tax paid		(75,184)	(64,441)	(69,669)	(61,026)
Tax refunded		2	32	2	-
Net cash from operating activities		259,001	101,297	289,175	94,428
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		1,912	621	1,634	445
Proceeds from disposal of investment properties		5,356	-	5,356	-
Proceeds from disposal of non-current assets held for sale		25,503	-	25,503	-
Proceeds from disposal of investment in a jointly controlled entity	33	-	21	-	21
Purchases of property, plant and equipment	7	(25,567)	(27,666)	(14,123)	(19,551)
Purchases of investment properties	8	-	(143)	-	(143)
Purchases of other investments		(14,204)	(209)	(14,204)	(209)
Purchases of television programmes rights	9(c)	(1,283)	-	-	-
Acquisition of subsidiaries, net of cash acquired	32	(19,320)	(2)	(50,000)	(2)
Additional investments in subsidiaries		-	(6,343)	-	-
Investment redeemed upon maturity		5,000	-	5,000	-
(Advances to)/Advances from subsidiaries		-	-	(15,773)	36,544
Interest received		9,976	12,665	7,483	7,742
Investment income received		2,276	3,741	2,276	3,741
Dividend received		-	-	-	39,455
Net cash (used in)/from investing activities		(10,351)	(17,315)	(46,848)	68,043

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

	Note	Group 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments for hire purchase and finance lease liabilities		(1,040)	(967)	-	-
Repayments of bank loan		(12,892)	(18,701)	-	-
Redemption of Medium Term Notes		-	(250,000)	-	(250,000)
Drawdown of bank loan		30,803	16,276	-	-
Proceeds from issuance of Commercial Paper		-	50,102	-	50,102
Redemption of Commercial Paper		(52,000)	-	(52,000)	-
Issuance of Medium Term Notes		200,000	-	200,000	-
Interest paid		(6,112)	(6,636)	(4,688)	(5,059)
Dividends paid		(132,930)	(427,403)	(132,930)	(427,403)
Dividends paid by a subsidiary to non-controlling interests		(2,330)	(1,403)	-	-
Net cash from/(used in) financing activities		23,499	(638,732)	10,382	(632,360)
Net increase/(decrease) in cash and cash equivalents		272,149	(554,750)	252,709	(469,889)
Effects of exchange rate fluctuations on cash and cash equivalents		4,846	(1,791)	-	-
Cash and cash equivalents as at beginning of financial year		216,688	773,229	92,889	562,778
Cash and cash equivalents as at end of financial year	17	493,683	216,688	345,598	92,889

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 15 March 2012.

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 10 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 set out on pages 88 to 201 have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia. However, Note 43 to the financial statements set out on page 202 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.

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. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at either fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by FRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 *Business Combinations* in accounting for business combinations from 1 January 2011 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

4.3 Business combinations

Business combinations from 1 January 2011 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations (cont'd)

Business combinations from 1 January 2011 onwards (cont'd)

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

During the financial year, the Group elected to recognise non-controlling interest in the acquiree on the date of acquisition at the non-controlling interest's proportionate share of the acquiree's net identifiable assets for each individual business combination.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.7.1. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 January 2011

Under the purchase method of accounting, the cost of 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 business combination is allocated to 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 a 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 4.7.1 to the financial statements on goodwill). If the cost of 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.

When 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.

4.4 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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 certain leasehold land and leasehold building, are stated at cost less any accumulated depreciation and any accumulated impairment losses.

As disclosed in Note 7(a), certain leasehold land and leasehold building are stated at valuation, which is the fair value at the date of revaluation in 1983 less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Group does not adopt a policy of regular valuations. The revalued assets have been retained on the basis of their previous valuation and considered as deemed cost in accordance with the transitional provisions of International Accounting Standard 16 (Revised) Property, Plant and Equipment, issued by the Malaysian Accounting Standards Board, which allows the Group to retain the carrying amount on the basis of the previous revaluation without the need for regular revaluation. The transitional provisions will remain in force until and unless the Group adopts a revaluation policy in place of a cost policy where FRS 116 would require revaluations to be carried out at regular intervals.

Depreciation is calculated to write off the cost 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 4.11 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period 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 surplus related to those assets, if any, is transferred directly to retained earnings.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 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 of 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.

4.6 Leases and hire purchase

4.6.1 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 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.

4.6.2 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 Leases and hire purchase (cont'd)

4.6.3 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.

4.7 Intangible assets

4.7.1 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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 amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of the cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets and liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Intangible assets (cont'd)

4.7.2 Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination. In-process research and development projects acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development is not met.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over their estimated economic useful lives and are assessed for any indication that the asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed at each period end to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition 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 when the asset is derecognised.

Radio licences

Radio licences acquired have finite useful lives of five (5) years and are shown at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of the licences over their estimated useful lives.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Intangible assets (cont'd)

4.7.2 Other intangible assets (cont'd)

Television programmes rights

Television programmes rights acquired have finite useful lives and are shown at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of television programmes rights over their estimated useful lives of one (1) to five (5) years.

Club membership

Club membership of the Group is amortised over its estimated useful life of three (3) years using the straight line method. The club membership is stated at cost less accumulated amortisation and any impairment losses.

4.8 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have the 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 accumulated impairment losses, if any. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amounts and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss 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 accumulated impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Investments (cont'd)

(b) Associate (cont'd)

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, unless the transaction provides evidence on impairment of the asset transferred.

When the Group's share of losses in the associate equals to 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 entity

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entities over which there is a 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 entity is stated at cost less impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Investments (cont'd)

(c) Jointly controlled entity (cont'd)

The investment in a 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. 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.

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 jointly controlled entity'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 an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.9 Inventories

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

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.

4.10 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries, associate and jointly controlled entity), inventories, assets arising from contract work, deferred tax assets and non-current assets held for sale, 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 the 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.

Goodwill acquired in a business combination shall 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 goodwill or intangible assets, 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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.

4.12 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.

4.13 Financial instruments

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.13 Financial instruments (cont'd)

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 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 fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as 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 are 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.13 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)

4.13 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 as 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 fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as 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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.13 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 share capital 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.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.14 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 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 to 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 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.

4.16 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 non-controlling interest.

4.17 Employee benefits

4.17.1 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)

4.17 Employee benefits (cont'd)

4.17.2 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.

4.17.3 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, whereupon 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.

4.17.4 Retirement benefits

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

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.18 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.

4.18.1 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.

4.18.2 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 profits 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 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 by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 Foreign currencies

4.19.1 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.

4.19.2 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.

4.19.3 Foreign operations

Financial statements of foreign operations are translated at financial year end exchange rates with respect to their 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 a net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.20 Revenue recognition

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

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

(a) Sale of goods

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

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

(b) Services

Revenue from services represents the invoiced value arising from the broadcasting of commercials on radio (net of service tax), subscription fees and distribution of television channel and films and broadcasting of commercials on television channel (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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.20 Revenue recognition (cont'd)

(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 a reduction of rental income over the lease term on a straight line basis.

4.21 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 statements of financial position and are stated at the lower of their carrying amounts 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 assets 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; and
- (ii) its recoverable amount at the date of the subsequent decision not to sell.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.22 Operating segments

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);
- (b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Managing Director and 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.

4.23 Earnings per share

Basic

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.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New/Revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year

The followings are new/revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year:

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 132	Financial Instruments: Presentation: Classification of Rights Issue	1 March 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 2	Share-based Payments	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 3	Business Combinations	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures	1 January 2011
Amendments to FRS 101	Presentation of Financial Statements	1 January 2011
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
Amendments to FRS 128	Investments in Associates	1 January 2011
Amendments to FRS 131	Interests in Joint Ventures	1 January 2011
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2011
Amendments to FRS 134	Interim Financial Reporting	1 January 2011
Amendments to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2011
Amendments to IC Interpretation 13	Customer Loyalty Programmes	1 January 2011

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

5.1 New/Revised FRSs, Amendments to FRSs and IC Interpretations adopted during the current financial year (cont'd)

Adoption of the standards and interpretations are deemed to have no material impact to the financial statements of the Group and the Company for the financial year except for the following:

Revised FRS 3 *Business Combinations*

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 at 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 arrival 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. Any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.

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

The revised FRS 3 has been applied prospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

During the financial year, the newly acquired subsidiaries were accounted for in accordance with this new Standard as disclosed in Note 32 to the financial statements.

5.2 New Malaysian Financial Reporting Standards ("MFRSs") that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") announced the issuance of the new MFRS framework that is applicable to entities other than private entities.

The Group is expected to apply the MFRS framework for the financial year ending 31 December 2012.

This would result in the Group preparing an opening MFRS statement of financial position as at 1 January 2011, which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ended 31 December 2011 and quarter ended 31 March 2011 in accordance with MFRS which would form the MFRS comparatives for the financial year ending 31 December 2012 and quarter ending 31 March 2012 respectively.

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

5.2 New Malaysian Financial Reporting Standards ("MFRSs") that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012 (cont'd)

The MFRSs, Amendments to MFRSs and IC Interpretations expected to be adopted are as follows:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
MFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2012
MFRS 2	Share-based Payment	1 January 2012
MFRS 3	Business Combinations	1 January 2012
MFRS 4	Insurance Contracts	1 January 2012
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2012
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2012
MFRS 7	Financial Instruments: Disclosures	1 January 2012
MFRS 8	Operating Segments	1 January 2012
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 101	Presentation of Financial Statements	1 January 2012
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 102	Inventories	1 January 2012
MFRS 107	Statement of Cash Flows	1 January 2012
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2012
MFRS 110	Events After the Reporting Period	1 January 2012
MFRS 111	Construction Contracts	1 January 2012
MFRS 112	Income Taxes	1 January 2012
MFRS 116	Property, Plant and Equipment	1 January 2012
MFRS 117	Leases	1 January 2012
MFRS 118	Revenue	1 January 2012
MFRS 119	Employee Benefits	1 January 2012
MFRS 119	Employee Benefits (revised)	1 January 2013
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2012
MFRS 123	Borrowing Costs	1 January 2012

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

5.2 New Malaysian Financial Reporting Standards ("MFRSs") that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012 (cont'd)

The MFRSs, Amendments to MFRSs and IC Interpretations expected to be adopted are as follows: (cont'd)

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
MFRS 124	Related Party Disclosures	1 January 2012
MFRS 126	Accounting and Reporting by Retirement Benefit Plans	1 January 2012
MFRS 127	Consolidated and Separate Financial Statements	1 January 2012
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates	1 January 2012
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
MFRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2012
MFRS 131	Interests in Joint Ventures	1 January 2012
MFRS 132	Financial Instruments: Presentation	1 January 2012
MFRS 133	Earnings Per Share	1 January 2012
MFRS 134	Interim Financial Reporting	1 January 2012
MFRS 136	Impairment of Assets	1 January 2012
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2012
MFRS 138	Intangible Assets	1 January 2012
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2012
MFRS 140	Investment Property	1 January 2012
MFRS 141	Agriculture	1 January 2012
Improvements to MFRSs		1 January 2012
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Mandatory Effective Date of MFRS 9 and Transition Disclosures		1 March 2012
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2012
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments	1 January 2012
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease	1 January 2012
IC Interpretation 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2012
IC Interpretation 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment	1 January 2012
IC Interpretation 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2012

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

5.2 New Malaysian Financial Reporting Standards ("MFRSs") that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012 (cont'd)

The MFRSs, Amendments to MFRSs and IC Interpretations expected to be adopted are as follows: (cont'd)

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2012
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2012
IC Interpretation 12	Service Concession Arrangements	1 January 2012
IC Interpretation 13	Customer Loyalty Programmes	1 January 2012
IC Interpretation 14	MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2012
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 January 2012
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 January 2012
IC Interpretation 18	Transfers of Assets from Customers	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2012
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 107	Introduction of the Euro	1 January 2012
IC Interpretation 110	Government Assistance - No Specific Relation to Operating Activities	1 January 2012
IC Interpretation 112	Consolidation - Special Purpose Entities	1 January 2012
IC Interpretation 113	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	1 January 2012
IC Interpretation 115	Operating Leases - Incentives	1 January 2012
IC Interpretation 125	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	1 January 2012
IC Interpretation 129	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2012
IC Interpretation 131	Revenue - Barter Transactions Involving Advertising Services	1 January 2012
IC Interpretation 132	Intangible Assets - Web Site Costs	1 January 2012

Currently, the Group does not expect any material impact on its financial position and performance arising from the adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations. However, the financial impact may change or additional impacts may be identified, prior to the completion of the Group's first MFRS based financial statements.

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

5.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2012 and 1 January 2013

The MFRSs, Amendments to MFRSs and IC Interpretations expected to be adopted are as follows:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurements	1 January 2013
MFRS 127	Separate Financial Statements (revised)	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures (revised)	1 January 2013
MFRS 119	Employee Benefits (revised)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015
Mandatory Effective Date of MFRS 9 and Transition Disclosures		1 January 2015

The Group is in the process of assessing the impact of implementing these MFRSs, Amendments to MFRSs and IC Interpretations.

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.

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

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

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. (cont'd)

(a) Classification between investment properties and property, plant and equipment (cont'd)

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

(b) 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 the sale of the assets to be completed within the next twelve (12) months.

(d) Contingent liabilities

The determination and treatment of contingent liabilities is based on the 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.

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

6.2 Key sources of estimation uncertainty (cont'd)

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. (cont'd)

(a) Impairment of goodwill on consolidation (cont'd)

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) Growth rates. The forecasted growth rates are based on published industry data and do not exceed the sustainable long-term average growth rate for the relevant industries.
- (iii) 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 9(a) to the financial statements.

(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.

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

6.2 Key sources of estimation uncertainty (cont'd)

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. (cont'd)

(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 and 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 24 to the financial statements.

(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 contract 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 borrowings

The fair values of borrowings 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.

(i) 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.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2011	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/Deemed cost									
At 1 January									
- at cost	46,447	126,918	38,866	16,374	584,830	149,931	4,296	17,414	985,076
- at deemed cost	-	-	1,600	800	-	-	-	-	2,400
Additions	-	-	130	6	5,146	18,481	1,554	357	25,674
Acquisition of subsidiaries (Note 32)	-	-	-	-	836	261	-	-	1,097
Disposals	-	-	-	-	(7,591)	(9,053)	-	(36)	(16,680)
Reclassified as non-current assets held for sale (Note 18)	-	-	(35,795)	-	-	-	(685)	-	(36,480)
Write off	-	-	-	-	(1,290)	(6,880)	-	(171)	(8,341)
Exchange adjustments	-	-	-	-	18	774	-	399	1,191
Reclassification	-	-	-	4,696	419	50	(5,165)	-	-
At 31 December	46,447	126,918	4,801	21,876	582,368	153,564	-	17,963	953,937
Accumulated depreciation									
At 1 January	-	22,206	6,951	4,032	240,421	122,294	-	10,284	406,188
Charge for the financial year	-	2,537	244	409	28,690	13,391	-	1,195	46,466
Disposals	-	-	-	-	(6,928)	(7,051)	-	(34)	(14,013)
Reclassified as non-current assets held for sale (Note 18)	-	-	(6,066)	-	-	-	-	-	(6,066)
Write off	-	-	-	-	(513)	(6,508)	-	(123)	(7,144)
Exchange adjustments	-	-	-	-	14	713	-	255	982
At 31 December	-	24,743	1,129	4,441	261,684	122,839	-	11,577	426,413
Accumulated impairment									
At 1 January	-	-	-	-	1,063	-	-	-	1,063
Disposals	-	-	-	-	(183)	-	-	-	(183)
At 31 December	-	-	-	-	880	-	-	-	880
Carrying amount									
At 31 December									
- at cost	46,447	102,175	2,703	17,435	319,804	30,725	-	6,386	525,675
- at deemed cost	-	-	969	-	-	-	-	-	969
	46,447	102,175	3,672	17,435	319,804	30,725	-	6,386	526,644

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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/Deemed cost									
At 1 January									
- at cost	46,447	126,918	48,721	19,689	585,528	150,244	1,255	13,073	991,875
- at deemed cost	-	-	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 18)	-	-	(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	-	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 18)	-	-	(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 deemed cost	-	-	991	-	-	-	-	-	991
	46,447	104,712	33,515	13,142	343,346	27,637	4,296	7,130	580,225

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2011	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/Deemed cost								
At 1 January								
- at cost	46,447	126,918	38,866	16,374	556,211	120,125	4,296	909,237
- at deemed cost	-	-	1,600	800	-	-	-	2,400
Additions	-	-	130	6	1,907	10,526	1,554	14,123
Disposals	-	-	-	-	(4,240)	(6,061)	-	(10,301)
Transfer to subsidiaries	-	-	-	-	-	(3)	-	(3)
Transfer from subsidiary	-	-	-	-	-	12	-	12
Reclassified as non-current assets held for sale (Note 18)	-	-	(35,795)	-	-	-	(685)	(36,480)
Write off	-	-	-	-	(230)	(4,275)	-	(4,505)
Reclassification	-	-	-	4,696	419	50	(5,165)	-
At 31 December	46,447	126,918	4,801	21,876	554,067	120,374	-	874,483
Accumulated depreciation								
At 1 January	-	22,206	6,951	4,032	223,036	98,807	-	355,032
Charge for the financial year	-	2,537	244	409	26,909	9,959	-	40,058
Disposals	-	-	-	-	(3,800)	(4,298)	-	(8,098)
Transfer to subsidiaries	-	-	-	-	-	(3)	-	(3)
Transfer from subsidiary	-	-	-	-	-	4	-	4
Reclassified as non-current assets held for sale (Note 18)	-	-	(6,066)	-	-	-	-	(6,066)
Write off	-	-	-	-	(85)	(4,145)	-	(4,230)
At 31 December	-	24,743	1,129	4,441	246,060	100,324	-	376,697
Carrying amount								
At 31 December								
- at cost	46,447	102,175	2,703	17,435	308,007	20,050	-	496,817
- at deemed cost	-	-	969	-	-	-	-	969
	46,447	102,175	3,672	17,435	308,007	20,050	-	497,786

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/Deemed cost								
At 1 January								
- at cost	46,447	126,918	48,721	19,689	557,201	121,812	1,065	921,853
- at deemed cost	-	-	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 18)	-	-	(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	-	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 18)	-	-	(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 deemed cost	-	-	991	-	-	-	-	991
	46,447	104,712	33,515	13,142	333,175	21,318	4,296	556,605

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 had the assets been carried at cost would now be fully depreciated.

	Group and Company 2011 RM'000	2010 RM'000
Cost	669	669
Accumulated depreciation	(669)	(669)
Carrying amount	-	-

- (b) The titles of freehold buildings of the Group and the Company with carrying amount of RM44,406,000 (2010: RM45,521,000) 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 2011 RM'000	2010 RM'000	Company 2011 RM'000	2010 RM'000
Purchase of property, plant and equipment	25,674	27,666	14,123	19,551
Financed by hire purchase and finance lease arrangements	(107)	-	-	-
Cash payments on purchase of property, plant and equipment	25,567	27,666	14,123	19,551

- (d) As at 31 December 2011, the carrying amount of the Group's property, plant and equipment under hire purchase or finance lease are as follows:

	Group and Company 2011 RM'000	2010 RM'000
Computers	6	5
Transmitters	6,681	7,627
Motor vehicles	305	616
Office equipment	39	-
	7,031	8,248

Details of the terms and conditions of the hire purchase and finance lease liabilities are disclosed in Note 23 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (e) As at the end of the financial year, the carrying amount 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 SGD117,000 (2010: SGD234,000) or equivalent to RM289,000 (2010: RM567,000).

8. INVESTMENT PROPERTIES

	Group and Company	
	2011	2010
	RM'000	RM'000
Buildings		
Cost		
Balance as at 1 January	20,883	24,364
Additions during the financial year	-	143
Disposals	(5,318)	-
Reclassified as non-current assets held for sale (Note 18)	(5,713)	(3,624)
Balance as at 31 December	9,852	20,883
Accumulated depreciation		
Balance as at 1 January	4,815	4,271
Depreciation charge for the financial year	375	610
Disposals	(124)	-
Reclassified as non-current assets held for sale (Note 18)	(3,709)	(66)
Balance as at 31 December	1,357	4,815
Carrying amount	8,495	16,068
Fair value	18,770	27,570

The title of a freehold building of the Group and the Company with a carrying amount of RM3,019,000 (2010: RM3,088,000) has yet to be issued by the relevant authority.

The fair value is determined by the Directors based on 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	
	2011	2010
	RM'000	RM'000
Rental income	682	1,983
Direct operating expenses incurred on:		
- income generating investment properties	94	231
- non-income generating investment properties	5	7

9. INTANGIBLE ASSETS

	Note	2011 RM'000	Group 2010 RM'000
Goodwill on consolidation	a	78,821	54,386
Radio licences	b	16,397	-
Television programmes rights	c	3,117	-
Club membership	d	-	267
		98,335	54,653

(a) Goodwill on consolidation

The carrying amounts of goodwill allocated to the Group's cash-generating unit ("CGU") are as follows:

	2011 RM'000	Group 2010 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	50,064	46,392
	79,205	75,533
Additional investment in a subsidiary		
- Exhibition services - CGU 4	-	3,672
Acquisition of a subsidiary (Note 32 (b))		
- Television channel - CGU 5	24,355	-
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	50,064
- Television channel - CGU 5	24,355	-
	103,560	79,205
Exchange differences	2,066	1,974
	105,626	81,179

9. INTANGIBLE ASSETS (cont'd)

(a) Goodwill on consolidation (cont'd)

The carrying amounts of goodwill allocated to the Group's cash-generating unit ("CGU") are as follows: (cont'd)

	2011 RM'000	Group 2010 RM'000
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	20,103	19,501
	26,590	25,988
Impairment losses recognised during the year		
- Exhibition services - CGU 4	-	602
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	20,103
	26,590	26,590
Exchange differences	215	203
	26,805	26,793
Carrying amount	78,821	54,386
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	29,961
- Television channel - CGU 5	24,355	-
Exchange differences	1,851	1,771
	78,821	54,386

9. INTANGIBLE ASSETS (cont'd)

(a) Goodwill on consolidation (cont'd)

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 rate of 12% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Terminal value computed based on the present value of cash flows in the fifth year without incorporating any growth rate.
- (iii) The radio licence will be renewed upon expiry at no significant costs.
- (iv) Pre-tax discount rate of 7.88% was applied in determining the recoverable amount of CGU 1. The discount rate was estimated based on the Group's weighted average cost of capital.

Impairment test on CGU 2

The Group had ceased the education operation since year 2007. The full impairment on CGU 2 amounting to RM5,187,000 was recognised 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 6% to 7% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Terminal value computed based on the present value of cash flows in the fifth year without incorporating any growth rate.
- (iii) Pre-tax discount rate of 7.88% 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.

9. INTANGIBLE ASSETS (cont'd)

(a) Goodwill on consolidation (cont'd)

Impairment test on CGU 4

The recoverable amount of CGU 4 was determined from value-in-use calculation. Based on the calculation, there was no further 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 rate of 3% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Terminal value computed based on the present value of cash flows in the fifth year without incorporating any growth rate.
- (iii) Pre-tax discount rate of 7.88% 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.

Impairment test on CGU 5

The recoverable amount of CGU 5 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 5 as the recoverable amount of CGU 5 was determined to be higher than its carrying amount as at the end of the reporting period.

Value-in-use of CGU 5 was determined by discounting the future cash flows generated from the continuing use of CGU 5 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 31% over the next five years with gradual improvement in the pre-tax margin.
- (ii) Terminal value computed based on the present value of cash flows in the fifth year without incorporating any growth rate.
- (iii) Pre-tax discount rate of 7.88% was applied in determining the recoverable amount of CGU 5. 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, 4 and 5, 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.

9. INTANGIBLE ASSETS (cont'd)

(b) Radio licences

	2011 RM'000	Group 2010 RM'000
Cost		
Balance as at 1 January	7,483	7,483
Acquisition of a subsidiary (Note 32(a))	17,709	-
Balance as at 31 December	25,192	7,483
Accumulated amortisation		
Balance as at 1 January	7,483	7,058
Charge for the financial year	1,312	425
Balance as at 31 December	8,795	7,483
Carrying amount	16,397	-

(c) Television programmes rights

	2011 RM'000	Group 2010 RM'000
Cost		
Balance as at 1 January	-	-
Acquisition of a subsidiary (Note 32(b))	2,254	-
Additions	1,283	-
Exchange differences	144	-
Balance as at 31 December	3,681	-
Accumulated amortisation		
Balance as at 1 January	-	-
Charge for the financial year	547	-
Exchange differences	17	-
Balance as at 31 December	564	-
Carrying amount	3,117	-

9. INTANGIBLE ASSETS (cont'd)

(d) Club membership

	2011 RM'000	Group 2010 RM'000
Cost		
Balance as at 1 January	807	807
Exchange differences	(3)	(8)
Balance as at 31 December	804	799
Accumulated amortisation		
Balance as at 1 January	539	270
Charge for the financial year	269	269
Balance as at 31 December	808	539
Exchange differences	(4)	(7)
	804	532
Carrying amount	-	267

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

10. INVESTMENTS IN SUBSIDIARIES

	2011 RM'000	Company 2010 RM'000
Unquoted shares - at cost	189,167	139,167
Less: Accumulated impairment losses	(16,585)	(16,585)
	172,582	122,582

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

The subsidiaries are as follows:

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2011	Company 2010	Subsidiary 2011	Subsidiary 2010	
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%	100%	-	-	Inactive
Capital FM Sdn. Bhd.*	Malaysia	80%	-	-	-	Operating a wireless radio broadcasting station
Li TV Holdings Limited ^{(1)*}	Hong Kong	51%	-	-	-	Investment holding
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

10. 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 2011	Company 2010	Subsidiary 2011	Subsidiary 2010	
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 services including training and consultancy
Subsidiary of Leaderonomics Sdn. Bhd.						
Leaderonomics Media Sdn. Bhd.*	Malaysia	-	-	100%	-	Produce, develop, distribute, market and deal with materials and contents related to leadership programmes or any business of human capital development including training of any form and consultancy of all kinds
Subsidiary of Laviani Pte. Ltd.						
Cityneon Holdings Limited ⁽¹⁾	Singapore	-	-	64%	64%	Investment holding

10. 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 2011	Company 2010	Subsidiary 2011	Subsidiary 2010	
Subsidiaries of Cityneon Holdings Limited						
Wonderful World Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs
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. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of management, projects, logistics and ownership service for events and festivals
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

10. 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 2011	Company 2010	Subsidiary 2011	Subsidiary 2010	
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Exhibition Services (Vietnam) Co. Ltd. ⁽¹⁾	Vietnam	-	-	100%	100%	Providing on interior and exterior decoration for offices, commercial buildings, shop, museums and theme parks
PT. Wonderful World Marketing Services Indonesia ⁽²⁾	Indonesia	-	-	100%	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%	100%	Provision of management, human resource and general office administrative services
Cityneon Exhibition Services Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of exhibition services including rental of reusable modules, furnishings and furnitures
Cityneon Vietnam Company Limited ⁽¹⁾	Vietnam	-	-	100%	-	Provision of project management services (other than for construction) and to engage in the installation, assembly, building completion and finishing works
Cityneon Shelter Events (Shenzhen) Pte. Ltd. ⁽¹⁾	China	-	-	100%	-	Home and abroad exhibitions information consultation, economic information and enterprise management consultation (excluding securities, insurance, fund, financing employment agency service and other restricted projects), exhibition and event activities display design management, enterprise image and marketing management, stage design management, exhibition etiquette consultant, showroom display design management service

10. 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 2011	Company 2010	Subsidiary 2011	Subsidiary 2010	
Subsidiaries of Cityneon						
Exhibition Services Pte. Ltd.						
E-Graphics Displays Pte. Ltd. ⁽¹⁾	Singapore	-	-	60%	60%	Designer and production of 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%	Designer and provider of 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 parks, thematic events, thematic leisure and entertainment outlets
Subsidiaries of Li TV Holdings Limited						
Li TV Asia Sdn. Bhd.	Malaysia	-	-	100%	-	Agent for distribution of television channel and films and sale of television channel airtime
Li TV Asia Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	-	Provision of technical operation and broadcasting support for high definition television channel
Li TV International Limited ⁽¹⁾	Hong Kong	-	-	100%	-	Operating a regional pay/cable television channel

(1) Audited by member firms of BDO International.

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

* Further information on the acquisitions is detailed in Note 32.

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

Additional investment in a subsidiary

In 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.

11. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted equity shares in overseas, at cost	12,239	12,239	12,239	12,239
Accumulated impairment losses	(2,890)	-	(5,672)	(2,095)
Share of post acquisition reserves, net of dividends received	(2,782)	(2,095)	-	-
	6,567	10,144	6,567	10,144

The details of the associate are as follows:

Name of Company	Country of incorporation	Interest in equity held by Company		Principal activity
		2011	2010	
701Sou (Hong Kong) Pte. Limited ⁽¹⁾	Hong Kong	20%	20%	Investment holding

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

The summarised financial information of the associate is as follows:

	Group	
	2011 RM'000	2010 RM'000
Assets and liabilities		
Non-current assets	1,510	5,660
Current assets	32,156	33,132
Total assets	33,666	38,792
Current liabilities	833	5,118
Total liabilities	833	5,118
Results		
Revenue	98	37
Loss for the financial year	(3,435)	(8,836)

12. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unquoted equity shares, at cost	20,006	20,006	20,006	20,006
Accumulated impairment losses	(64)	-	(12,604)	(8,680)
Share of post acquisition reserves, net of dividends received	(12,540)	(8,684)	-	-
	7,402	11,322	7,402	11,326

The details of the jointly controlled entity are as follows:

Name of Company	Country of incorporation	Interest in equity held by Company		Principal activity
		2011	2010	
701Panduan Sdn. Bhd. ⁽¹⁾	Malaysia	50%	50%	Provide directory services through internet, mobile and other platforms

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

In 2010, the Company disposed of its entire 35% equity interest in LLL-Lifelong Learning Network Sdn. Bhd.. The details of the disposal are disclosed in Note 33 to the financial statements.

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

	2011 RM'000	2010 RM'000
Assets and liabilities		
Current assets	13,168	19,815
Non-current assets	2,487	3,955
Total assets	15,655	23,770
Current liabilities	851	1,137
Total liabilities	851	1,137
Results		
Revenue	658	622
Expenses, including finance costs and tax expense	(8,371)	(9,728)

13. OTHER INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current				
Financial assets at fair value through profit or loss				
Within Malaysia				
- Quoted investment funds	34,604	28,007	34,604	28,007
- Quoted equity investment	4,048	-	4,048	-
	38,652	28,007	38,652	28,007
Outside Malaysia				
- Unquoted equity investment	3,866	-	3,866	-
	42,518	28,007	42,518	28,007
Available-for-sale financial assets				
- Quoted bond (outside Malaysia)	6,822	6,255	-	-
Financial assets held to maturity				
- 4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	5,000	5,000	5,000	5,000
- 4.00% p.a. Malaysian quoted investment funds due on 30 June 2012	-	5,000	-	5,000
	5,000	10,000	5,000	10,000
Total non-current other investments	54,340	44,262	47,518	38,007
Current				
Financial assets held to maturity				
- 4.00% p.a. Malaysian quoted investment funds due on 30 June 2012 (Note (a))	5,000	-	5,000	-
- 5.00% p.a. Malaysian quoted investment funds due on 20 May 2011	-	5,000	-	5,000
Total current other investment	5,000	5,000	5,000	5,000
Total other investments	59,340	49,262	52,518	43,007

- (a) Pursuant to a meeting of the unit holders on 30 January 2012, the maturity of the investment was brought forward to 13 February 2012.
- (b) Information on the fair value hierarchy is disclosed in Note 39(e) to the financial statements.

14. DEFERRED TAX

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Balance as at 1 January	78,452	80,508	78,435	80,523
Recognised in profit or loss (Note 29)	(6,054)	(2,047)	(7,407)	(2,088)
Recognised in other comprehensive income	102	-	-	-
Exchange differences	10	(9)	-	-
Balance as at 31 December	72,510	78,452	71,028	78,435
Presented after appropriate offsetting:				
- Deferred tax assets, net	(60)	(574)	-	-
- Deferred tax liabilities, net	72,570	79,026	71,028	78,435
	72,510	78,452	71,028	78,435

- (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	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2011	88,881	-	(9,855)	79,026
Recognised in profit or loss	(5,700)	1,109	(1,981)	(6,572)
Recognised in other comprehensive income	-	102	-	102
Exchange differences	(15)	29	-	14
At 31 December 2011	83,166	1,240	(11,836)	72,570
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

14. 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

	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 2011	(50)	(9,540)	(839)	9,855	(574)
Recognised in profit or loss	50	238	(1,751)	1,981	518
Exchange differences	*	-	(4)	-	(4)
At 31 December 2011	-	(9,302)	(2,594)	11,836	(60)
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)

* 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 2011	88,284	(9,849)	78,435
Recognised in profit or loss	(6,700)	(707)	(7,407)
At 31 December 2011	81,584	(10,556)	71,028
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

14. 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

	Accrual for staff costs RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2011	(9,179)	(670)	9,849	-
Recognised in profit or loss	359	(1,066)	707	-
At 31 December 2011	(8,820)	(1,736)	10,556	-
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	-

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

	Group 2011 RM'000	2010 RM'000
Other temporary differences	1,375	797
Unabsorbed capital allowances	6,317	4,845
Unused tax losses		
- No expiry date	40,032	34,701
- Expires by 31 December 2011	-	473
- Expires by 31 December 2012	139	135
- Expires by 31 December 2013	124	121
- Expires by 31 December 2014	480	467
- Expires by 31 December 2016	567	-
	49,034	41,539

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.

15. INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost				
Newsprint	138,711	209,797	138,711	209,797
Other raw materials and consumables	738	705	34	35
	139,449	210,502	138,745	209,832

Cost of inventories of the Group and of the Company recognised as an expense during the financial year amounted to RM143,779,000 (2010: RM146,901,000) and RM141,269,000 (2010: RM145,615,000).

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current					
Trade					
Third parties	a	158,039	162,186	108,566	110,444
Subsidiaries		-	-	159	496
Amount due from contract customers	b	24,652	13,007	-	-
	g	182,691	175,193	108,725	110,940
Less: Allowance for credit losses					
- Third parties	c, h	(12,979)	(12,681)	(8,480)	(8,182)
		169,712	162,512	100,245	102,758
Non-trade					
Third parties		22,664	13,191	1,217	854
Amounts owing by subsidiaries	d	-	-	106,680	90,843
		22,664	13,191	107,897	91,697
Less: Allowance for credit losses					
- Third parties		(52)	(148)	-	-
- Subsidiaries		-	-	(42,050)	(41,342)
		22,612	13,043	65,847	50,355
Sundry deposits and other receivables		7,653	5,904	2,614	2,203
Prepayments	e	12,327	8,599	8,537	4,840
		42,592	27,546	76,998	57,398
	f, i	212,304	190,058	177,243	160,156

16. TRADE AND OTHER RECEIVABLES (cont'd)

- (a) The credit terms of trade receivables range from payment in advance to credit period of 90 days (2010: 90 days). Trade receivables are recognised at their original invoice amount which represent their fair values on initial recognition.
- (b) **AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS**

	2011 RM'000	Group 2010 RM'000
Aggregate costs incurred to date	131,133	102,781
Add: Attributable profits	26,894	15,615
	158,027	118,396
Less: Progress billings	(137,098)	(107,100)
	20,929	11,296
Represented by:		
Amount due from customers for contract works	24,652	13,007
Amount due to customers for contract works (Note 24)	(3,723)	(1,711)
	20,929	11,296

As at 31 December 2011, retention monies held by customers for contract works amounted to RM2,822,000 (2010: RM5,874,000).

- (c) The allowance for credit losses of the Group and the Company is net of bad debts written off amounting to RM1,053,000 (2010: RM306,000) and RM451,000 (2010: RM50,000) respectively.
- (d) Amounts owing by subsidiaries are in respect of advances, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for RM9,890,000 (2010: RM9,682,000) which is repayable by 31 December 2012 (2010: 31 December 2011) and is subject to interest at 3.80% (2010: 5.00%) per annum.
- (e) Included in prepayments of the Group and the Company are deposits amounting to RM1,082,000 (2010: RM1,388,000) 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 40 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:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	151,566	147,923	94,538	100,005
Past due, not impaired				
> 90 days	12,305	10,884	2,979	1,209
> 120 days	4,230	2,654	1,515	752
> 180 days	1,611	1,051	1,213	792
Past due and impaired	18,146	14,589	5,707	2,753
	12,979	12,681	8,480	8,182
	182,691	175,193	108,725	110,940

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		Company	
	Individually impaired 2011 RM'000	Individually impaired 2010 RM'000	Individually impaired 2011 RM'000	Individually impaired 2010 RM'000
Trade receivables, gross	12,979	12,681	8,480	8,182
Less: Allowance for credit losses	(12,979)	(12,681)	(8,480)	(8,182)
	-	-	-	-

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At 1 January	12,681	11,703	8,182	8,753
Charge for the financial year (Note 28)	2,447	2,023	876	52
Acquisition of a subsidiary	49	-	-	-
Write off	(1,053)	(306)	(451)	(50)
Allowance for credit losses no longer required (Note 28)	(1,155)	(714)	(127)	(573)
Exchange differences	10	(25)	-	-
At 31 December	12,979	12,681	8,480	8,182

16. TRADE AND OTHER RECEIVABLES (cont'd)

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

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 trade and other receivables are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	137,350	126,568	159,046	141,254
Singapore Dollar	32,866	35,629	16,191	17,740
Australian Dollar	226	160	2	2
United States Dollar	7,383	5,794	1,908	1,051
Euro	175	128	81	81
Pound Sterling	12	23	12	26
Bahrain Dinar	31,372	11,861	-	-
Omani Rial	1,512	5,832	-	-
Chinese Renminbi	1,046	431	-	2
Vietnam Dong	344	3,499	-	-
Others	18	133	3	-
	212,304	190,058	177,243	160,156

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits placed with licensed banks	386,173	130,462	316,476	62,977
Cash and bank balances	107,510	86,226	29,122	29,912
	493,683	216,688	345,598	92,889

- (a) Deposits of the Group and of the Company have a range of maturity of 5 days to 365 days (2010: 5 days to 365 days).
- (b) Information on financial risks of cash and cash equivalents are disclosed in Note 40 to the financial statements.

17. CASH AND CASH EQUIVALENTS (cont'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	391,958	130,226	345,538	92,803
Singapore Dollar	31,662	29,906	-	20
Australian Dollar	30,569	28,599	-	-
United States Dollar	24,799	6,550	50	56
Pound Sterling	5	5	5	5
Euro	295	544	-	-
Bahrain Dinar	13,304	19,758	-	-
Omani Rial	*	68	-	-
Chinese Renminbi	780	414	5	5
Others	311	618	-	-
	493,683	216,688	345,598	92,889

* Less than RM1,000

18. NON-CURRENT ASSETS HELD FOR SALE

	Group and Company	
	2011 RM'000	2010 RM'000
Reclassified from:		
Leasehold land (Note 7)	29,729	17,673
Leasehold buildings (Note 7)	-	2,889
Plant and buildings under construction (Note 7)	685	-
Investment property (Note 8)	2,004	3,558
	32,418	24,120

The non-current assets held for sale in 2011 are in respect of a leasehold land, plant and buildings under construction and an investment property. The disposals have yet to be completed pending the fulfilment of certain Conditions Precedent stated in the Sale and Purchase Agreement.

The disposal of the non-current assets held for sale in 2010 was subsequently completed during the financial year.

19. SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	2011		2010	
	Number of shares '000	RM'000	Number of shares '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 ordinary 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 2011, 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 2011.

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.

20. RESERVES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable				
Available-for-sale reserve	233	100	-	-
Share option reserve	854	536	-	-
Capital reserve	-	-	1,722	1,722
Foreign exchange translation reserve	23,972	20,721	-	-
	25,059	21,357	1,722	1,722
Distributable				
Retained earnings	302,261	248,526	273,903	229,236
	327,320	269,883	275,625	230,958

(a) Available-for-sale reserve

Gains or losses arising from financial assets classified as 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 reserve

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.

(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 a balance in the Section 108 account to frank the distribution of dividends to its shareholders up to RM103,400 out of its retained earnings.

21. MEDIUM TERM NOTES AND COMMERCIAL PAPER

During the financial year, the Company issued two (2) RM100 million nominal value of Medium Term Notes, with fixed interest rates of 4.5% and 4.8% per annum respectively. These notes are unsecured and have a tenure of five (5) years and seven (7) years respectively. The maturity dates for the notes are 11 May 2016 and 11 May 2018 respectively.

In 2010, the Company issued a Commercial Paper for RM52,000,000 of which the Company received RM50,102,000. On 11 November 2011, the Company fully repaid the principal sum of RM50,102,000 and RM1,898,000 being the interest at 3.79% per annum.

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 2011 RM'000	2010 RM'000
Nominal value on issuance	52,000	52,000
Amortisation of cost and accretion of discount:		
At 1 January	(1,633)	(1,898)
Recognised during the financial year (Note 27)	1,633	265
At 31 December	-	(1,633)
Repayment	(52,000)	-
Liability component at 31 December	-	50,367

Also, in 2010, the Company fully repaid its RM150 million and RM100 million nominal value of Medium Term Notes with fixed interest rates of 5.5% and 5.7% per annum respectively.

Information on financial risks of Medium Term Notes and Commercial Paper are disclosed in Note 40 to the financial statements.

The Medium Term Notes and Commercial Paper are denominated in Ringgit Malaysia.

22. BORROWINGS

	Group	
	2011 RM'000	2010 RM'000
Current liabilities		
Bank loans (secured)	54,298	1,735
Hire purchase and finance lease liabilities (Note 23)	1,037	963
	55,335	2,698
Non-current liabilities		
Bank loans (secured)	-	33,887
Hire purchase and finance lease liabilities (Note 23)	7,194	8,179
	7,194	42,066
Total borrowings		
Bank loans (secured)	54,298	35,622
Hire purchase and finance lease liabilities (Note 23)	8,231	9,142
	62,529	44,764

(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 2011						
Bank loans (secured)	2014	54,298	50,177	2,473	1,648	-
Hire purchase and finance lease liabilities	2019	8,231	1,037	1,037	3,522	2,635
		62,529	51,214	3,510	5,170	2,635

22. BORROWINGS (cont'd)

- (a) The borrowings are repayable over the following periods: (cont'd)

	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	-	-
Hire purchase and finance lease liabilities	2019	9,142	963	1,001	3,303	3,875
		44,764	2,698	34,888	3,303	3,875

- (b) Included in the bank loans of the Group is long term bank loan amounting to RM6,593,000 (2010: RM Nil) which contains a repayment on demand clause which gives the lender the unconditional right to call the loan at any time. The long term bank loan has been classified as current liabilities.

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

	Group	
	2011 RM'000	2010 RM'000
Ringgit Malaysia	7,320	8,112
Singapore Dollar	55,209	36,652
	62,529	44,764

- (d) One of the secured bank loans of RM34,615,000 (2010: RM33,887,000) of the Group is secured by a 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 a guarantee and indemnity of SGD14,000,000 covering interest accruing and all monies payable under the facility.

The other secured bank loans of RM19,683,000 (2010: RM1,735,000) of the Group are guaranteed by its subsidiaries.

- (e) Information on financial risks of borrowings are disclosed in Note 40 to the financial statements.

23. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2011 RM'000	2010 RM'000
Minimum lease payments:		
- not later than one (1) year		
- Hire purchase	230	215
- Finance leases	1,296	1,296
	1,526	1,511
- later than one (1) year but not later than five (5) years		
- Hire purchase	688	703
- Finance leases	5,161	5,161
	5,849	5,864
- later than five (5) years		
- Hire purchase	171	336
- Finance leases	2,666	3,956
	2,837	4,292
Total minimum lease payments	10,212	11,667
Less: Future interest charges		
- Hire purchase	(133)	(176)
- Finance leases	(1,848)	(2,349)
	(1,981)	(2,525)
Present value of minimum lease payments	8,231	9,142
Present value of minimum lease payments is represented by:		
- Hire purchase	956	1,078
- Finance leases	7,275	8,064
	8,231	9,142

23. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (cont'd)

	Group	
	2011 RM'000	2010 RM'000
Repayable as follows:		
Current liabilities		
- not later than one (1) year		
- Hire purchase	190	168
- Finance leases	847	795
Total current liabilities	1,037	963
Non-current liabilities		
- later than one (1) year and not later than five (5) years		
- Hire purchase	599	589
- Finance leases	3,960	3,715
	4,559	4,304
- later than five (5) years		
- Hire purchase	167	320
- Finance leases	2,468	3,555
	2,635	3,875
Total non-current liabilities	7,194	8,179
	8,231	9,142

Lease terms range from one (1) 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 hire purchase and finance lease liabilities are disclosed in Note 40 to the financial statements.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables				
Third parties	20,734	15,931	2,143	1,812
Subsidiaries	-	-	2,106	3,582
Amount due to contract customers (Note 16(b))	3,723	1,711	-	-
	24,457	17,642	4,249	5,394
Other payables				
Amounts owing to subsidiaries	-	-	55,784	51,084
Other payables	19,031	16,765	10,006	7,369
Deposits from agents, subscribers and customers	4,517	3,992	4,262	3,769
Accruals	80,332	96,868	65,969	65,113
Provision	4,094	3,588	2,562	2,666
	107,974	121,213	138,583	130,001
	132,431	138,855	142,832	135,395

- (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 (2010: 1 to 4 months).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for RM52,250,000 (2010: RM Nil) which is repayable by 31 December 2012 and is subject to interest at 7.33% per annum.
- (c) Included in other payables of the Group are amounts owing to Directors of certain subsidiaries amounting to RM3,737,000 (2010: RM424,000) and dividend payable to the shareholders of a subsidiary amounting to RM Nil (2010: RM1,027,000).
- (d) Information on financial risks of trade and other payables are disclosed in Note 40 to the financial statements.
- (e) Included in the accruals of the Group and the Company are payroll related accruals amounting to RM52,851,000 (2010: RM59,026,000) and RM44,906,000 (2010: RM45,279,000) respectively.
- (f) The provision is in respect of unutilised staff leave carried forward which is detailed as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Balance as at 1 January	3,588	3,503	2,666	2,517
Provision during the financial year	1,007	692	-	347
Utilised during the financial year	(469)	(436)	(104)	(198)
Overprovision in prior years	(64)	(151)	-	-
Exchange differences	32	(20)	-	-
Balance as at 31 December	4,094	3,588	2,562	2,666

24. TRADE AND OTHER PAYABLES (cont'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	98,583	91,183	88,494	85,711
Singapore Dollar	20,345	30,827	1,901	1,186
Australian Dollar	71	82	52,256	48,444
Hong Kong Dollar	-	-	103	-
United States Dollar	2,365	2,222	60	54
Euro	2,465	27	18	*
Bahrain Dinar	6,650	12,536	-	-
Chinese Renminbi	1,186	1,397	-	-
Others	766	581	-	-
	132,431	138,855	142,832	135,395

* Less than RM1,000

25. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Publication, printing and distribution of newspapers and magazines	819,228	800,468	820,002	802,279
Broadcasting	57,312	45,133	-	-
Event management, exhibition services and thematic	183,073	212,092	-	-
Subscription and distribution	2,102	-	-	-
Others	5,953	4,007	-	-
	1,067,668	1,061,700	820,002	802,279

26. COST OF SALES AND SERVICES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Publication, printing and distribution of newspapers and magazines	271,032	266,305	271,032	266,305
Event management, exhibition services and thematic	131,508	144,956	-	-
Subscription and distribution	554	-	-	-
Others	1,788	1,180	-	-
	404,882	412,441	271,032	266,305

27. FINANCE COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expenses:				
- Medium Term Note	5,988	5,059	5,988	5,059
- Commercial Paper (Note 21)	1,633	265	1,633	265
- Finance leases	550	607	-	-
- Bank loans	851	970	-	-
- Advances from subsidiary	-	-	3,569	-
- Others	22	*	-	-
	9,044	6,901	11,190	5,324

* Less than RM1,000

28. PROFIT BEFORE TAX

Profit before tax is arrived at:

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
After charging:					
Auditors' remuneration:					
- Statutory		748	587	176	162
- Non-statutory		53	58	10	58
Amortisation of radio licence included in administrative and other expenses	9(b)	1,312	425	-	-
Amortisation of television programmes rights	9(c)	547	-	-	-
Amortisation of club membership	9(d)	269	269	-	-
Allowance for credit losses:					
- third parties	16(h)	2,447	2,023	876	52
- subsidiaries		-	-	708	2,446
Bad debts written off		5	170	2	-
Depreciation of property, plant and equipment	7	46,466	47,625	40,058	42,137
Depreciation of investment properties	8	375	610	375	610
Directors' remuneration payable to					
- Directors of the Company					
- fees		698	550	698	550
- other emoluments		14,167	12,783	14,167	12,783
- Directors of subsidiaries					
- fees		859	307	-	-
- other emoluments		6,645	8,756	-	-

28. PROFIT BEFORE TAX (cont'd)

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

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
After charging: (cont'd)					
Foreign exchange losses					
- realised		740	1,913	-	134
- unrealised		-	-	1,059	2,424
Impairment losses included in administrative and other expenses on:					
- goodwill	9(a)	-	602	-	-
- investment in an associate	11	2,890	-	3,577	2,095
- investment in a jointly controlled entity	12	64	-	3,924	8,680
Loss on disposal of property, plant and equipment		578	15	569	-
Loss on disposal of investment in a jointly controlled entity		-	42	-	64
Operating lease rental		122	124	122	124
Property, plant and equipment written off		1,197	1,254	275	1,197
Provision for unutilised staff leave	24(f)	943	541	-	347
Rental of premises		5,196	5,186	681	748
Rental of warehouse		1,911	-	-	-
Retirement benefits paid		2,340	-	2,340	-
And crediting:					
Allowance for credit losses no longer required	16(h)	1,155	714	127	573
Bad debts recovered		250	-	-	-
Dividend income		-	-	-	39,455
Fair value gain on other investments		307	1,486	307	1,486
Foreign exchange gain					
- realised		195	-	195	-
Gain on disposal of:					
- property, plant and equipment		6	179	-	179
- non-current assets held for sale		1,383	-	1,383	-
- investment properties		162	-	162	-
Interest income		11,283	13,533	8,528	7,742
Investment income		2,772	3,741	2,772	3,741
Rental income:					
- investment properties		689	1,983	689	1,983
- others		241	339	-	-

The estimated monetary value of benefits-in-kind not included in the above received by Directors of the Company was RM1,142,000 (2010: RM1,019,000) for the Group and the Company.

29. TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current year tax expense based on profit for the financial year				
Malaysian income tax	71,625	67,070	68,265	64,809
Foreign income tax	384	2,662	-	-
	72,009	69,732	68,265	64,809
(Over)/Under provision in prior years				
Malaysian income tax	(527)	621	(303)	949
Foreign income tax	(209)	333	-	-
	(736)	954	(303)	949
	71,273	70,686	67,962	65,758
Deferred tax (Note 14)				
Relating to origination and reversal of temporary differences	(4,328)	(1,732)	(5,421)	(1,820)
Over provision in prior years	(1,726)	(315)	(1,986)	(268)
	(6,054)	(2,047)	(7,407)	(2,088)
Tax expense	65,219	68,639	60,555	63,670

29. TAX EXPENSE (cont'd)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	250,531	258,807	238,152	270,781
Taxation at Malaysian statutory rate of 25% (2010: 25%)	62,633	64,702	59,538	67,695
Expenses not deductible for tax purposes	5,872	5,699	4,449	6,093
Income not subject to tax	(1,209)	(1,403)	(1,143)	(10,799)
Deferred tax assets not recognised	1,930	1,200	-	-
Tax incentives	(346)	(14)	-	-
Utilisation of previously unrecognised deferred tax assets	(56)	(18)	-	-
Difference in tax rates in foreign jurisdiction	(1,143)	(2,166)	-	-
	67,681	68,000	62,844	62,989
(Over)/Under provision in prior years				
- corporate tax	(736)	954	(303)	949
- deferred tax	(1,726)	(315)	(1,986)	(268)
Tax expense	65,219	68,639	60,555	63,670

The Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 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.

30. 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.

	2011	2010
Profit attributable to equity holders of the parent (RM'000)	186,665	184,941
Weighted average number of ordinary shares in issue ('000)	738,564	738,564
Weighted average number of treasury shares held ('000)	(70)	(70)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	738,494	738,494
Basic earnings per ordinary share (sen)	25.28	25.04

Diluted earnings per ordinary share

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

31. 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
2011			
2011 First interim dividend paid	6.0	44,310	6.0
2011 Special interim dividend paid	3.0	22,155	3.0
2010 Second interim dividend paid	6.0	44,310	6.0
2010 Special interim dividend paid	3.0	22,155	3.0
	18.0	132,930	18.0
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

Subsequent to the financial year, on 27 February 2012, 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 2011. The dividends are payable on 18 April 2012 to the shareholders whose names appear in the Record of Depositors at the close of business on 30 March 2012. This dividend will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2012.

32. ACQUISITION OF SUBSIDIARIES

(a) Capital FM Sdn. Bhd. ("Capital FM")

On 9 August 2011, the Company acquired 80% of the issued and paid-up ordinary share capital of Capital FM, a company incorporated in Malaysia which is engaged in the operations of a radio station, comprising 4,000,000 ordinary shares of RM1.00 each for a cash consideration of RM15,000,000.

32. ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Capital FM Sdn. Bhd. ("Capital FM") (cont'd)

The Group acquired Capital FM in order to strengthen its position in the radio broadcasting industry in Malaysia and to further cross-sell its advertising products through the valuable radio licence for operating a radio station held by Capital FM. The Group views that the acquisition of Capital FM adds vast value to its current profile of subsidiaries. The strength of the existing Media Segment of the Group, particularly the Broadcasting subsidiaries, will enhance the performance of Capital FM. Synergies could be achieved in terms of sharing of expertise, synergies sales packages as well as synergies cost management. This newly acquired radio station would allow the Group to venture into a different niche market as compared to its existing radio stations. Capital FM is a station targeted at women and the Group views that this is in line with the current social development. Control was obtained by virtue of owning a majority of the voting rights of Capital FM.

The fair value of the identifiable assets and liabilities of Capital FM as at the date of acquisition are as follows:

	2011 RM'000
Radio licence on acquisition (Note 9(b))	17,709
Property, plant and equipment	967
Receivables	75
Cash and bank balances	5
Payables	(6)
Total identifiable net assets	18,750
Less: Non-controlling interests, measured at proportionate share of net assets	(3,750)
Total cost of acquisition	15,000

The amortisation of radio licence is not deductible for income tax purposes.

Transaction costs related to the acquisition of RM90,000 have been recognised in profit or loss as administrative expenses.

The effects of the acquisition of Capital FM on cash flows are as follows:

	2011 RM'000
Purchase consideration settled in cash	15,000
Less: Cash and cash equivalents of subsidiary acquired	(5)
Net cash outflow of the Group on acquisition	14,995

Capital FM has contributed the following results to the Group for the financial year from the acquisition date:

	2011 RM'000
Revenue	-
Loss for the financial year	(1,907)

Had the business combination taken place at the beginning of the year, the Group's revenue contribution from Capital FM would have been RM Nil and the loss for the financial year would have been RM10,000.

32. ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Li TV Holdings Limited ("Li TV")

On 22 August 2011, the Company acquired 51% of the enlarged issued and paid-up ordinary share capital of Li TV, an investment holding company incorporated in Hong Kong with its subsidiaries principally engaged in the business of provision of technical operation and broadcasting support for high definition lifestyle television channel named "LI", that broadcasts pan-regionally across Asia, comprising 3,400,000 ordinary shares of USD1.00 each for a cash consideration of RM35,000,000.

The Group acquired Li TV in order to pave the way towards multi-media offerings as well as to create more opportunities to cross-sell its advertising products. Control was obtained by virtue of owning a majority of the voting rights of Li TV.

The fair value of the identifiable assets and liabilities of Li TV as at the date of acquisition are as follows:

	2011 RM'000
Property, plant and equipment	130
Television programmes rights (Note 9(c))	2,254
Inventories	493
Receivables	1,038
Cash and bank balances	30,675
Payables	(13,717)
Total identifiable net assets	20,873
Less: Non-controlling interests, measured at proportionate share of net assets	(10,228)
Goodwill arising from acquisition (Note 9(a))	24,355
Total cost of acquisition	35,000

Goodwill of RM24,355,000 is derived from the synergies between the principal activities of the subsidiaries acquired and the existing Group. These subsidiaries are engaged in the provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime. The principal activities of these newly acquired subsidiaries would be able to bring operational synergies to the Group and further enhance its significance in the Media Industry. It enables the Group to offer more value added service to its existing customers and provide better opportunity to tap on new customers. By having extensive media coverage, the management trusts that this would help the Group in achieving improved financial performance. The existing expertise of the Group in Print and New Media Segment as well as the expertise in Broadcasting Segment would also help in providing publicity and helps the performance of these newly acquired subsidiaries. The management believes that the acquisition would benefit both way. The Group's Media strength would help unleash the potential of the subsidiaries in the media industry. Meanwhile, the inclusion of these subsidiaries to the Group enables the Group to offer more media coverage and achieve a higher degree of media market penetration.

Transaction costs related to the acquisition of RM176,000 have been recognised in profit or loss as administrative expenses.

32. ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Li TV Holdings Limited ("Li TV") (cont'd)

The effects of the acquisition of Li TV on cash flows are as follows:

	2011 RM'000
Purchase consideration settled in cash	35,000
Cash and cash equivalents of subsidiaries acquired	(30,675)
Net cash outflow of the Group on acquisition	4,325

Li TV has contributed the following results to the Group for the financial year from the acquisition date:

	2011 RM'000
Revenue	2,102
Loss for the financial year	(2,371)

Had the business combination taken place at the beginning of the year, the Group's revenue contribution from Li TV would have been RM3,752,000 and the loss for the financial year would have been RM6,287,000.

(c) Leaderonomics Media Sdn. Bhd. ("LMSB")

On 29 December 2011, Leaderonomics Sdn. Bhd., a 51% owned subsidiary of the Company, incorporated LMSB, a company with an authorised and paid-up share capital of 2 ordinary shares of RM1.00 each. The total cash consideration paid was RM2.00.

The fair value of the identifiable assets and liabilities of LMSB as at the date of incorporation are as follows:

	2011 RM'000
Cash/Total cost of acquisition	*

* represents RM2.00

The effects of the incorporation of LMSB on cash flows are as follows:

	2011 RM'000
Incorporation expenses settled in cash	*
Cash and cash equivalents of subsidiary incorporated	*
Net cash outflow of the Group on incorporation	-

* represents RM2.00

32. ACQUISITION OF SUBSIDIARIES (cont'd)

(c) Leaderonomics Media Sdn. Bhd. ("LMSB") (cont'd)

LMSB has contributed the following results to the Group for the financial year from the incorporation date:

	2011 RM'000
Revenue	-
Loss for the financial year	(7)

(d) Acacia Forecast (M) Sdn. Bhd. ("AFSB")

In 2010, the Company acquired the entire issued and paid-up ordinary share capital of AFSB, a company incorporated in Malaysia, which comprised of 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

In 2010, the acquisition of AFSB has contributed the following results to the Group:

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

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 the effects on acquisition of the subsidiary in 2010 was as follows:

	2010	
	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

33. DISPOSAL OF A JOINTLY CONTROLLED ENTITY

In 2010, the Company disposed of 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 said jointly controlled entity is as follows:

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

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

34. RELATED PARTIES TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 10 to the financial statements;
- (ii) Associate as disclosed in Note 11 to the financial statements;
- (iii) Jointly controlled entity as disclosed in Note 12 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.

34. 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:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Subsidiaries				
Sales of advertisement space	-	-	773	1,812
Purchase of airtime	-	-	466	2,607
Advertisement commission paid/payable	-	-	1,447	1,637
Purchase of property, plant and equipment	-	-	578	2
Event fees	-	-	351	781
Disposal of property, plant and equipment	-	-	8	6
Training fees paid/payable	-	-	871	496
Interest received/receivable	-	-	353	477
Management fees	-	-	305	285
Jointly controlled entity				
Sales of advertisement space	-	1	-	1
Company in which certain Director has financial interests				
Sales of advertisement space	-	1,996	-	1,996

The related party 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 24 to the financial statements.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

34. RELATED PARTIES TRANSACTIONS (cont'd)

(c) Compensation of key management personnel (cont'd)

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

	Group and Company	
	2011 RM'000	2010 RM'000
Short term employee benefits	14,429	13,437
Contributions to defined contribution plans	1,580	1,507
Other long term employee benefits	2,340	-
	18,349	14,944

35. 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 RM1,489,000 (2010: RM1,383,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM24,089,000 (2010: RM14,914,000). The tender bonds and guarantees are secured by bank guarantees amounting to RM694,000 (2010: RM1,746,000).

36. COMMITMENTS

(a) Operating lease commitments

The Group as a lessee

Computer equipment and office buildings under various operating leases in 2011 and 2010 are as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than one (1) year	3,247	2,242
Later than one (1) year and not later than five (5) years	10,890	8,609
	14,137	10,851

36. COMMITMENTS (cont'd)

(b) Capital commitments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Authorised capital expenditure not provided for in the financial statements				
- contracted	11,342	12,422	11,342	12,422
- not contracted	47,947	7,726	47,947	7,726
	59,289	20,148	59,289	20,148
Analysed as follows:				
- Building	-	1,296	-	1,296
- Plant and equipment	47,947	8,852	47,947	8,852
- Investment	11,342	10,000	11,342	10,000
	59,289	20,148	59,289	20,148

37. EMPLOYEE BENEFITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries and wages	197,660	183,088	138,619	133,329
Defined contribution retirement plans	23,422	21,430	18,461	17,279
Others	25,116	18,794	22,636	17,151
	246,198	223,312	179,716	167,759

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM20,812,000 (2010: RM21,539,000) and RM14,167,000 (2010: RM12,783,000) respectively.

38. 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 and its subsidiaries in Hong Kong are principally engaged in the provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime.

The Group has arrived at four (4) 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 new media
Publication, printing and distribution of newspapers and magazines and advertising in print and electronic media.
- (ii) Broadcasting
Operations of wireless broadcasting stations.
- (iii) 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.
- (iv) Television channel
Provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime.

Other operating segments that do not constitute reportable segments 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 and goodwill impairment, and also excluding the effects of share-based payments and retirement benefit obligations.

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

38. OPERATING SEGMENTS (cont'd)

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

2011	Print and new media RM'000	Broadcasting RM'000	Event, exhibition, interior and thematic RM'000	Television channel RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
Sales to external customer	821,619	57,312	183,073	2,102	3,562	-	1,067,668
Inter-segment sales	2,489	465	6,102	-	871	(9,927)	-
Total revenue	824,108	57,777	189,175	2,102	4,433	(9,927)	1,067,668
Results							
Segment results	244,612	8,769	203	(2,371)	(1,150)	-	250,063
Finance costs	7,621	(504)	(205)	-	(714)	-	(9,044)
Interest income	8,175	757	439	-	1,912	-	11,283
Investment income	2,772	-	-	-	-	-	2,772
Share of loss in an associate	(687)	-	-	-	-	-	(687)
Share of loss in a jointly controlled entity	(3,856)	-	-	-	-	-	(3,856)
Profit before tax							250,531
Tax expense							(65,219)
Profit for the financial year							185,312
Assets							
Segment assets	1,191,180	114,901	162,862	49,991	52,070	-	1,571,004
Investment in an associate	6,567	-	-	-	-	-	6,567
Investment in a jointly controlled entity	7,402	-	-	-	-	-	7,402
Total assets							1,584,973
Liabilities							
Segment liabilities	368,993	14,897	54,190	5,707	35,332	-	479,119
Other segment information							
Capital expenditure	14,144	9,177	2,098	21	234	-	25,674
Depreciation	40,765	2,818	3,162	9	87	-	46,841
Amortisation	-	1,312	269	547	-	-	2,128
Impairment loss on investment in an associate	2,890	-	-	-	-	-	2,890
Impairment loss on investment in a jointly controlled entity	64	-	-	-	-	-	64
Non-cash expenses other than depreciation and amortisation	1,722	2,147	1,253	31	11	-	5,164

38. 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)

2010	Print and new media RM'000	Broadcasting RM'000	Event, exhibition, interior and thematic RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sales to external customer	801,797	45,133	212,092	2,678	-	1,061,700
Inter-segment sales	3,778	3,111	964	495	(8,348)	-
Total revenue	805,575	48,244	213,056	3,173	(8,348)	1,061,700
Results						
Segment results	240,578	2,386	12,588	(777)	-	254,775
Finance costs	(5,324)	(553)	(309)	(715)	-	(6,901)
Interest income	7,742	191	344	5,256	-	13,533
Investment income	3,741	-	-	-	-	3,741
Share of loss in an associate	(1,767)	-	-	-	-	(1,767)
Share of losses in 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	1,054,899	79,811	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	223,304	17,069	52,700	35,073	-	328,146
Other segment information						
Capital expenditure	20,371	451	6,965	22	-	27,809
Depreciation	43,038	2,007	3,126	64	-	48,235
Amortisation	-	425	269	-	-	694
Impairment losses on goodwill	-	-	602	-	-	602
Non-cash expenses other than depreciation and amortisation	1,596	1,170	1,248	16	-	4,030

38. 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 geographical information are as follows:

	Revenue		Segment assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	893,419	853,496	1,358,522	1,164,974
Singapore	112,718	95,399	109,948	105,664
Others	61,531	112,805	116,503	93,065
	1,067,668	1,061,700	1,584,973	1,363,703

39. 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 its 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-back, 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.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Loans and borrowings	262,529	95,131	200,000	50,367
Less: Cash and bank balances (Note 17)	(107,510)	(86,226)	(29,122)	(29,912)
Net debt	155,019	8,905	170,878	20,455
Total capital	1,105,854	1,035,557	1,013,964	969,297
Gearing ratio	14.0%	0.9%	16.9%	2.1%

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments

Categories of financial instruments

	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
Group						
2011						
Financial assets						
Other investments	13	-	42,518	6,822	10,000	59,340
Trade and other receivables	16	212,304	-	-	-	212,304
		212,304	42,518	6,822	10,000	271,644
Cash and cash equivalents	17	493,683	-	-	-	493,683
		705,987	42,518	6,822	10,000	765,327

	Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Group				
2011				
Financial liabilities				
Borrowings		262,529	-	262,529
Trade and other payables	24	132,431	-	132,431
		394,960	-	394,960

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

	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
Group						
2010						
Financial assets						
Other investments	13	-	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	17	216,688	-	-	-	216,688
		406,746	28,007	6,255	15,000	456,008

	Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Group				
2010				
Financial liabilities				
Borrowings		95,131	-	95,131
Trade and other payables	24	138,855	-	138,855
		233,986	-	233,986

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
Company					
2011					
Financial assets					
Other investments	13	-	42,518	10,000	52,518
Trade and other receivables	16	177,243	-	-	177,243
		177,243	42,518	10,000	229,761
Cash and cash equivalents	17	345,598	-	-	345,598
		522,841	42,518	10,000	575,359

	Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Company				
2011				
Financial liabilities				
Borrowings	21	200,000	-	200,000
Trade and other payables	24	142,832	-	142,832
		342,832	-	342,832

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
Company					
2010					
Financial assets					
Other investments	13	-	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	17	92,889	-	-	92,889
		253,045	28,007	15,000	296,052

	Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Company				
2010				
Financial liabilities				
Borrowings	21	50,367	-	50,367
Trade and other payables	24	135,395	-	135,395
		185,762	-	185,762

39. 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
2011				
Recognised				
Financial assets				
4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	5,000	5,112	5,000	5,112
4.00% p.a. Malaysian quoted investment funds due on 30 June 2012	5,000	5,178	5,000	5,178
Unrecognised				
Contingent liabilities				
- Litigation	-	2,169	-	2,169
- Fair value on bank guarantee	-	-	-	#
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	-	-	-	#

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

39. FINANCIAL INSTRUMENTS (cont'd)

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- 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, short-term borrowings, Medium Term Notes, Commercial Paper and hire purchase 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 shares, investment funds and bonds

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

- iii. Unquoted shares

The fair value of unquoted equity investment outside Malaysia has been estimated using discounted cash flows technique based on various assumptions, including 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. Management believes that the estimated fair values resulting from the valuation technique are reasonable and the most appropriate 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).

39. FINANCIAL INSTRUMENTS (cont'd)

(e) Fair value hierarchy (cont'd)

As at 31 December 2011, the Group and the Company held the following financial instruments carried at fair value on the statements of financial position:

Assets measured at fair value

	31 December 2011 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	34,604	34,604	-	-
- Quoted equity investment	4,048	4,048	-	-
- Unquoted equity investment	3,866	-	-	3,866
Available-for-sale financial assets				
- Quoted bond	6,822	6,822	-	-
	49,340	45,474	-	3,866
Company				
Financial assets at fair value through profit or loss				
- Quoted investment funds	34,604	34,604	-	-
- Quoted equity investment	4,048	4,048	-	-
- Unquoted equity investment	3,866	-	-	3,866
	42,518	38,652	-	3,866

During the reporting period ended 31 December 2011, there were no transfers between Level 1 and Level 2 fair value measurements.

39. 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 statements 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 bond	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.

Reconciliation of fair value measurements of Level 3 financial instruments

The Group and the Company carry unquoted equity investment as financial assets at fair value through profit or loss classified as Level 3 within the fair value hierarchy.

	Financial assets at fair value through profit or loss RM'000
Balance at 1 January 2011	-
Purchases	3,866
Total gains or losses recognised in profit or loss	-
Balance at 31 December 2011	3,866

39. FINANCIAL INSTRUMENTS (cont'd)

- (e) Fair value hierarchy (cont'd)

Reconciliation of fair value measurements of Level 3 financial instruments (cont'd)

There is no gain or loss recognised on measurement of unquoted equity investment in the current financial year.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

	Effect on profit or loss	
	Favourable RM'000	(Unfavourable) RM'000
Unquoted equity investment	201	(201)

40. 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.

- (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 the functional currencies of the operating entities.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amount to RM101,725,000 (2010: RM86,462,000) for the Group and RM60,000 (2010: RM86,000) 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 a bank loan of RM34,615,000 (2010: RM33,887,000), which is denominated in Singapore Dollar.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Foreign currency risk (cont'd)

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 Dollar ("USD"), Euro ("EUR"), Bahrain Dinar ("BHD"), Omani Rial ("OMR"), Singapore Dollar ("SGD") and Australian Dollar ("AUD") exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	2011		2010	
	Group RM'000 Profit net of tax	Company RM'000 Profit net of tax	Group RM'000 Profit net of tax	Company RM'000 Profit net of tax
USD/RM - strengthen by 3% (2010: 3%)	+194	-504	-2,189	-1,956
- weaken by 3% (2010: 3%)	-194	+504	+2,189	+1,956
EUR/RM - strengthen by 3% (2010: 3%)	+10	-	+14	-
- weaken by 3% (2010: 3%)	-10	-	-14	-
BHD/RM - strengthen by 3% (2010: 3%)	+677	-	+485	-
- weaken by 3% (2010: 3%)	-677	-	-485	-
OMR/RM - strengthen by 3% (2010: 3%)	+9	-	+147	-
- weaken by 3% (2010: 3%)	-9	-	-147	-
SGD/RM - strengthen by 3% (2010: 3%)	+797	+1,017	+402	+402
- weaken by 3% (2010: 3%)	-797	-1,017	-402	-402
AUD/RM - strengthen by 3% (2010: 3%)	-1,175	-1,175	-1,090	-1,090
- weaken by 3% (2010: 3%)	+1,175	+1,175	+1,090	+1,090

(ii) 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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

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.

	Note	On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
Group					
2011					
Financial liabilities					
Trade and other payables	24	132,431	-	-	132,431
Loans and borrowings		51,842	134,680	141,682	328,204
Total undiscounted financial liabilities		184,273	134,680	141,682	460,635

	Note	On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
Company					
2011					
Financial liabilities					
Trade and other payables	24	142,832	-	-	142,832
Loans and borrowings		-	124,618	138,845	263,463
Total undiscounted financial liabilities		142,832	124,618	138,845	406,295

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity and cash flow risk (cont'd)

	Note	On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
Group					
2010					
Financial liabilities					
Trade and other payables	24	138,855	-	-	138,855
Loans and borrowings		55,246	39,054	4,292	98,592
Total undiscounted financial liabilities		194,101	39,054	4,292	237,447

	Note	On demand or within 1 year RM'000	1-5 years RM'000	Over 5 years RM'000	Total RM'000
Company					
2010					
Financial liabilities					
Trade and other payables	24	135,395	-	-	135,395
Loans and borrowings		52,000	-	-	52,000
Total undiscounted financial liabilities		187,395	-	-	187,395

(iii) 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 as well as the short term deposits. The Group borrows in the desired currencies at both fixed and floating rates of interest.

Sensitivity analysis for interest rate risk

At 31 December 2011, 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 RM605,000 (2010: RM276,000) lower, arising mainly as a result of lower interest income derived from short term deposits. If interest rates had been 50 basis points higher, with all other variables held constant, post-tax profit would have been RM605,000 (2010: RM276,000) higher, arising mainly as a result of higher interest income derived from short term deposits. Profit is equally sensitive to interest rate decreases and increases. The sensitivity is higher in 2011 than in 2010 because of an increase in placement of short term deposits that have occurred. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate %	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 2011									
Fixed rates									
Deposits placed with licensed banks	17	3.43	386,173	-	-	-	-	-	386,173
Hire purchase and finance lease liabilities	23	6.52	(1,037)	(1,037)	(1,103)	(1,172)	(1,247)	(2,635)	(8,231)
Medium Term Notes	21	4.65	-	-	-	-	(100,000)	(100,000)	(200,000)
Floating rate									
Bank loan (secured)	22	2.09	(50,177)	(2,473)	(1,648)	-	-	-	(54,298)

As at 31 December 2010

Fixed rates									
Deposits placed with licensed banks	17	3.17	130,462	-	-	-	-	-	130,462
Hire purchase and finance lease liabilities	23	6.23	(963)	(1,001)	(1,034)	(1,100)	(1,169)	(3,875)	(9,142)
Commercial Paper	21	3.79	(50,367)	-	-	-	-	-	(50,367)
Floating rate									
Bank loan (secured)	22	2.24	(1,735)	(33,887)	-	-	-	-	(35,622)

Company	Note	Weighted average effective interest rate %	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 2011									
Fixed rates									
Amount owing by a subsidiary	16(d)	3.80	9,890	-	-	-	-	-	9,890
Deposits placed with licensed banks	17	3.32	316,476	-	-	-	-	-	316,476
Medium Term Notes	21	4.65	-	-	-	-	(100,000)	(100,000)	(200,000)
Floating rate									
Amount owing to a subsidiary	24(b)	7.33	(52,250)	-	-	-	-	-	(52,250)

As at 31 December 2010

Fixed rates									
Amount owing by a subsidiary	16(d)	5.00	9,682	-	-	-	-	-	9,682
Deposits placed with licensed banks	17	2.85	62,977	-	-	-	-	-	62,977
Commercial Paper	21	3.79	(50,367)	-	-	-	-	-	(50,367)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) 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.

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.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 16 to the financial statements.

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:

	2011	Group	2010	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	123,325	73%	117,402	72%
Singapore	29,709	17%	30,506	19%
Middle East	14,777	9%	10,811	7%
Hong Kong	1,035	1%	-	-
China	694	*	292	*
Asia Pacific (including Australia)	172	*	3,501	2%
	169,712	100%	162,512	100%
By industry sectors:				
Print and new media	100,362	59%	102,589	63%
Broadcasting	16,888	10%	11,182	7%
Event, exhibition, interior and thematic	50,584	30%	48,280	30%
Television channel	1,035	1%	-	-
Others	843	*	461	*
	169,712	100%	162,512	100%

* Amount is less than 1%

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iv) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

At the end of the reporting period, the Company has no significant concentration of credit risk except for the amounts owing by its subsidiaries constituting 36% (2010: 31%) of total receivables of the Company. The Company does not anticipate the carrying amounts recorded at the end of the reporting period to be significantly different from the values that would eventually be received.

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 to the financial statements. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired 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 to the financial statements.

(v) Market price risk

Market price risk is the risk that the fair value or 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 equity 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 shares, 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 invest in a portfolio of investments with a diversified risk base, the Group and the 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.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 17 March 2011, Cityneon Holdings Limited ("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.
- (b) On 4 April 2011, the Company announced the proposal to implement a Commercial Papers ("CPs") programme of up to RM750.0 million in nominal value for 7 years ("CP Programme") and a Medium Term Notes ("MTNs") programme of up to RM750.0 million in nominal value for 15 years ("MTN Programme", together with the Proposed CP Programme, are collectively known as the "Proposed Programmes"). The Proposed Programmes will have a combined limit of up to RM750.0 million.

On 27 April 2011, the Company announced that the Proposed Programmes have been approved by the Securities Commission ("SC") via SC's letter dated 26 April 2011. On 11 May 2011, the Company announced that it has made its first issuance of RM200.0 million in nominal value MTNs pursuant to the MTN Programme.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (cont'd)

- (c) On 28 April 2011, Cityneon announced the incorporation of a new wholly-owned subsidiary, Cityneon Shelter Events (Shenzhen) Pte. Ltd. ("CSSZ") in the People's Republic of China. The principal activities are to provide home and abroad exhibitions information consultation, economic information and enterprise management consultation (excluding securities, insurance, fund, financing employment agency service and other restricted projects), exhibition and event activities display design management, enterprise image and marketing management, stage design management, exhibition etiquette consultant and showroom display management service. CSSZ has a registered capital of USD3,100,000.
- (d) On 9 August 2011, the Company announced the completion of the acquisition of 80% equity interest in Capital FM for a cash consideration of RM15,000,000. This acquisition was first announced on 19 May 2011. The principal activity of Capital FM is operation of a radio station. Capital FM has an issued and fully paid-up share capital of RM5,000,000 representing 5,000,000 ordinary shares of RM1.00 each.
- (e) On 19 August 2011, the Company announced that it has entered into a Sale and Purchase Agreement (the "SPA") with JAKS Island Circle Sdn. Bhd. ("JAKS") for the proposed disposal of a leasehold land located along Jalan 13/6 in Section 13, Petaling Jaya, Selangor Darul Ehsan ("the Land") for a consideration of RM135 million in cash and in kind, based upon the terms and conditions as contained in the SPA.

Simultaneously, with the execution of the SPA, the Company and JAKS have mutually agreed to enter into a Transition Agreement on 19 August 2011 to suspend all their rights and obligations under the Joint Development Agreement entered on 3 March 2010.

The completion of the proposed disposal is conditional upon the fulfillment of conditions stated in the SPA.

- (f) On 22 August 2011, the Company announced that the acquisition of a 51% equity interest in Li TV Holdings Limited ("Li TV") for a cash consideration of RM35,000,000 was completed and Li TV is effectively a 51% owned subsidiary of the Company. Li TV is an investment holding company with wholly-owned subsidiaries engaged in the provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime. The paid-up share capital of Li TV is USD6,666,667.
- (g) On 14 December 2011, Cityneon announced that Cityneon Creations Pte. Ltd. ("CCPL"), a wholly-owned subsidiary of Cityneon, has increased its issued shares and paid-up capital by the allotment of an additional 1,100,000 ordinary shares at SGD1.00 each to Cityneon. Following the allotment of shares, the paid-up share capital of CCPL has increased from SGD400,000 to SGD1,500,000. CCPL was incorporated on 10 July 1999 to carry on the design and build services for custom-built exhibition pavilions and roadshows. This investment was funded internally.
- (h) On 29 December 2011, Leaderonomics Media Sdn. Bhd. ("LMSB") was incorporated by a 51% owned subsidiary of the Company, Leaderonomics Sdn. Bhd. ("LSB"). LMSB has an issued and paid-up share capital of RM2 divided into 2 ordinary shares of RM1.00 each. By virtue of the equity interest in LSB, LMSB became a 51% owned subsidiary of the Company. The principal activities of LMSB are produce, develop, distribute, market and deal with materials and contents related to leadership programmes or any business of human capital development including training of any form and consultancy of all kinds.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 6 January 2012, the Company announced the completion of the proposed acquisition to acquire 2,484,834 fully paid ordinary shares of RM1.00 each, representing 83.61% of the entire issued and paid-up share capital of Red Tomato Media Sdn. Bhd. ("RTMSB"), a company incorporated in Malaysia which is engaged in the trading of publication, mass media and other related activities, for a cash consideration of RM1,490,900. The completion results in RTMSB becoming a subsidiary of the Company.

The Group acquired 83.61% of the equity interest in RTMSB as a strategy to strengthen its presence in the Chinese print media. Control was obtained by virtue of owning a majority of the voting rights of RTMSB.

42. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (cont'd)

(a) (cont'd)

The fair value of the identifiable assets and liabilities of RTMSB as at the date of acquisition are as follows:

	2012 RM'000
Property, plant and equipment	309
Receivables	498
Cash and bank balances	(62)
Payables	(1,571)
Borrowings	(341)
Total identifiable net assets	(1,167)
Less: Non-controlling interests, measured at proportionate share of net assets	191
Goodwill arising from acquisition	2,467
Total cost of acquisition	1,491

Goodwill of RM2,467,000 arising from the acquisition of RTMSB is well justified by the synergies and benefits which could be derived from the subsidiary. The Group currently owns a Chinese broadcasting radio station, namely 988FM and a Chinese business magazine titled Shang Hai. With the inclusion of RTMSB into the organisation, the management believes this would further enhance its Chinese media platform and allows the Group to offer extended and enhanced services to the advertisers. The Group's current expertise in Chinese print and Chinese broadcasting would help to expand and untap the potential of RTMSB. The vast experience of the current RTMSB team would also add synergy to the business plan for the Chinese media platforms of the Group.

Transaction costs related to the acquisition of RM51,000 have been recognised in profit or loss as administrative expenses.

The effects of the acquisition of RTMSB on cash flows are as follows:

	2012 RM'000
Purchase consideration settled in cash	1,491
Cash and cash equivalents of subsidiaries acquired	62
Net cash outflow of the Group on acquisition	1,553

RTMSB is expected to contribute the following results to the Group for the financial year from the acquisition date.

	2012 RM'000
Revenue	1,061
Loss for the financial year	(868)

- (b) On 21 February 2012, LMSB increased its paid-up share capital from RM2 to RM500,000 by the allotment of 499,998 shares at RM1.00 each. The new shares allotted were fully subscribed by LSB, the immediate holding company of LMSB. LMSB remains as the wholly-owned subsidiary of LSB which is a 51% owned subsidiary of the Company.

43. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	Group RM'000	2011 Company RM'000	Group RM'000	2010 Company RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries:				
- Realised	339,518	341,902	298,660	306,031
- Unrealised	(70,541)	(67,999)	(76,799)	(76,795)
	268,977	273,903	221,861	229,236
Total share of retained profits from associate:				
- Realised	(2,793)	-	(2,461)	-
- Unrealised	11	-	366	-
Total share of retained profits from jointly controlled entity:				
- Realised	(12,540)	-	(8,684)	-
- Unrealised	-	-	-	-
	253,655	273,903	211,082	229,236
Consolidation adjustments	48,606	-	37,444	-
Total retained earnings as at 31 December	302,261	273,903	248,526	229,236

List of Properties
As at 31 December 2011

203

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of acquisition/ Last revaluation [#]
15-19, Jalan Masjid Kapitan Keling, 10200 Pulau Pinang	Leasehold Expiry: 2055	22,640 sq. ft.	Office block	Pre-war	969	1983 [#]
13, Jalan 13/6, 46200 Petaling Jaya Selangor Darul Ehsan	Leasehold Expiry: 2062	24,568 sq. metres	Building on Industrial land	39	20,899	1991
11, Jalan 13/6 46200 Petaling Jaya Selangor Darul Ehsan					10,834	1994
26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,440 sq. ft.	2-storey semi-detached house	51	905	1995
Kawasan Perindustrian Bukit Minyak, Mukim 13 Daerah Seberang Perai 14100 Bukit Mertajam Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Newsprint warehouse	14	9,339	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	11	43,525	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	11	35,650	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	10	21,337	2002

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of acquisition/ Last revaluation [#]
Lot 9, First Floor Block B, Lintas Square 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft.	Office block	13	206	1999
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	1,587	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	8	2,074	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

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of acquisition/ Last revaluation#
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	36	2,801	2005
Neighbourhood Commercial Centre GF to 3F, U6, Phase 19 62250 Putrajaya	Freehold	1,690.72 sq. metres	4-storey shop office	7	3,900	2005
8 & 10, Lorong Chung Thye Phin 30250 Ipoh Perak Darul Ridzuan	Leasehold Expiry: 2893	1622.53 sq. metres	Commercial land	N/A	1,385	2005
		1,978 sq. metres	Office building	1	4,642	2011
Klang Town Commercial Centre No. 35 Lebuhr Tapah, Bandar Klang 41400 Klang Selangor Darul Ehsan	Freehold	445.93 sq. metres	3-storey shop office	5	782	2007
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	3	2,675	2009

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	: One (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	80	1.165	1,604	0.000
100 - 1,000	1,726	25.142	1,536,786	0.208
1,001 - 10,000	4,090	59.578	16,825,084	2.279
10,001 - 100,000	811	11.814	25,472,824	3.449
100,001 - 36,924,669	155	2.258	222,568,244	30.138
36,924,670 and above	3	0.043	472,088,860	63.926
Sub Total	6,865	100.000	738,493,402	100.000
Treasury Shares			70,200	
Total			738,563,602	100.000

THIRTY LARGEST SHAREHOLDERS / DEPOSITORS AS AT 30 MARCH 2012

No.	Name	Number of shares held	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	85,752,900	11.612
3.	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	73,020,200	9.888
4.	Lembaga Tabung Haji	28,642,300	3.878

No.	Name	Number of shares held	Holding Percentage
5.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	27,750,800	3.758
6.	Valuecap Sdn Bhd	25,680,900	3.477
7.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	19,863,200	2.690
8.	AmanahRaya Trustees Berhad Amanah Saham Didik	13,973,700	1.892
9.	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Lux for Aberdeen Global	7,503,900	1.016
10.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for American International Assurance Berhad	5,654,300	0.766
11.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	4,032,000	0.546
12.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	4,000,000	0.542
13.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	3,416,800	0.463
14.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	2,867,500	0.388
15.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Dr)	2,662,100	0.360
16.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,607,000	0.353
17.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	2,572,500	0.348
18.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,380,500	0.322
19.	Koperasi Jayadiri Malaysia Berhad	2,296,000	0.311
20.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Mayban Inv)	2,186,300	0.296

No.	Name	Number of shares held	Holding Percentage
21.	Amanah Raya Berhad Kumpulan Wang Bersama	2,000,000	0.271
22.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHB Inv)	2,000,000	0.271
23.	Lembaga Tabung Angkatan Tentera	2,000,000	0.271
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Al-Faid	1,804,000	0.244
25.	Bank Kerjasama Rakyat Malaysia Berhad	1,792,000	0.243
26.	HSBC Nominees (Asing) Sdn Bhd Exempt An for BNP Paribas Securities Services (Singapore –SGD)	1,718,000	0.233
27.	Employees Provident Fund Board	1,500,000	0.203
28.	Tengku Nerang Putra	1,466,144	0.199
29.	AmanahRaya Trustees Berhad Public Islamic Dividend Fund	1,356,400	0.184
30.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	1,303,400	0.176
Total		647,118,604	87.627

DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register of Directors' Shareholdings)

Name	No. of Shares Held Direct Interest	% of Shareholdings	No. of Shares Held Deemed Interest	% of Shareholdings
Tan Sri Datuk Seri Dr Fong Chan Onn	-	-	-	-
Datuk Vincent Lee Fook Long	228,300	0.031	-	-
Mr Ho Kay Tat	-	-	-	-
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	0.014	900,000	0.122
Datuk Seri Wong Chun Wai	10,000	0.001	-	-
Datin Linda Ngiam Pick Ngoh	679,000	0.092	287,000	0.039
Dato' Wira Syed Abdul Jabbar bin Syed Hassan	-	-	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
Mr Lee Siang Chin	-	-	-	-
Dato' Yip Kum Fook	-	-	-	-
Mr Lew Weng Ho	-	-	-	-

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	95,471,200	12.928	-	-
AmanahRaya Trustees Berhad				
Skim Amanah Saham Bumiputera	73,020,200	9.888	-	-
Oversea-Chinese Banking Corporation Limited (OCBC)	-	-	38,601,800	5.227

SHARE PRICES AND VOLUME TRADED FOR THE PERIOD
1 JANUARY 2011 TO 30 MARCH 2012





PENINSULAR MALAYSIA

1. Alor Setar
2. Georgetown and Star
Northern Hub, Pulau Pinang
3. Seberang Jaya
4. Ipoh
5. Kuala Lumpur
6. Menara Star, Petaling Jaya (HQ)
7. Star Media Hub, Shah Alam
8. Klang

9. Putrajaya
10. Seremban
11. Melaka
12. Muar
13. Johor Bahru
14. Kuantan
15. Kuala Terengganu
16. Kota Bharu

SABAH & SARAWAK

17. Kuching
18. Sibul
19. Miri
20. Kota Kinabalu



OVERSEAS OFFICES

21. Beijing
22. Singapore

CORPORATE HEAD QUARTERS

MENARA STAR

15, Jalan 16/11, 46350 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
TEL : 03-7967 1388 (General Line)
03-7966 8388 (Advertising)
03-7967 2020 (Metro Classified Run-Ons)
FAX : 03-7954 6752
EMAIL : corpcomm@thestar.com.my
THE STAR ONLINE : 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 3355



**STAR PUBLICATIONS
(MALAYSIA) BERHAD**
(10894-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 Masjid Kapitan Keling,
10200 Pulau Pinang
TEL : 04 - 262 4361
FAX : 04 - 261 1410

IPOH

8 - 10, Lorong Chung Thye Phin,
30250 Ipoh, Perak Darul Ridzuan
TEL : 05 - 253 0402
FAX : 05 - 253 9669, 254 6445

JOHOR BAHRU

65 & 65A, Jalan Maju, Taman Maju Jaya,
80300 Johor Bahru, Johor Darul Ta'zim
TEL : 07 - 331 5666
FAX : 07 - 333 3251

KOTA BHARU

No. 2854-A, 1st Floor,
Jalan Sultanah Zainab, 15000 Kota Bharu,
Kelantan Darul Naim
TEL : 09 - 747 8500
FAX : 09 - 747 8600

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

KUALA LUMPUR

17, Lorong Ma'arof, Bangsar,
59000 Kuala Lumpur
TEL : 03 - 2284 2920
FAX : 03 - 2284 1712

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

KUANTAN

14, 1st Floor, Jalan Tun Ismail,
25000 Kuantan,
Pahang Darul Makmur
TEL : 09 - 513 1323
FAX : 09 - 514 6276

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

PUTRAJAYA

T.01-06, Jalan P9E/1, Precint 9,
62250 W.P. Putrajaya
TEL : 03 - 8889 5512 / 8889 5513
FAX : 03 - 8889 5516

SEBERANG JAYA

19A (1st Floor), Jalan Todak 3,
Pusat Bandar Seberang Jaya,
(Bandar Sunway),
13700 Seberang Jaya,
Pulau Pinang
TEL : 04 - 398 8316 / 8318 / 8550
FAX : 04 - 398 8551

SEREMBAN

49, Jalan Yam Tuan,
70000 Seremban,
Negeri Sembilan Darul Khusus
TEL : 06 - 762 6984 / 761 2992
FAX : 06 - 761 2577

SABAH & SARAWAK

KOTA KINABALU

Lot 9, 1st Floor,
Block B Lintas Square,
Jalan Lintas Luyang,
88300 Kota Kinabalu, Sabah
TEL : 088 - 233 380 / 234 380
FAX : 088 - 237 380

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

SINGAPORE

Star Publications (S) Pte Ltd,
100, Beach Road,
#22-11/12, Shaw Towers,
Singapore 189702
TEL : 02 - 6292 6350 / 6292 7585
FAX : 02 - 6297 2474

CHINA

A4103, Soho Xian Dai Cheng,
88, Jianguo Road,
Chaoyang District,
Beijing 100022, China
TEL : 86 - 10 - 85803711
FAX : 86 - 10 - 85803711

Proxy Form

I/We (name of shareholder as per NRIC, in capital letters)

IC No./ID No./ Company No. (new) (old)

of (full address)

being a member(s) of STAR PUBLICATIONS (MALAYSIA) BERHAD, hereby appoint (name of proxy as per NRIC, in capital letters)

IC No. (new) (old)

or failing him/her (name of proxy 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 40th 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 Wednesday, 23 May 2012 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 for the financial year ended 31 December 2011 together with the Auditors' Report thereon	RESOLUTION 1		
2	To re-elect Dato' Dr Mohd Aminuddin bin Mohd Rouse who retires pursuant to Article 117 of the Company's Articles of Association	RESOLUTION 2		
3	To re-elect Datuk Seri Wong Chun Wai who retires pursuant to Article 117 of the Company's Articles of Association	RESOLUTION 3		
4	To re-elect Tan Sri Datuk Seri Dr Fong Chan Onn who retires pursuant to Article 101 of the Company's Articles of Association	RESOLUTION 4		
5	To re-elect Mr Lew Weng Ho who retires pursuant to Article 101 of the Company's Articles of Association	RESOLUTION 5		
6	To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim who is retiring pursuant to Section 129(6) of the Companies Act, 1965	RESOLUTION 6		
7	To approve payment of Director' fees	RESOLUTION 7		
8	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration	RESOLUTION 8		
9	Authority under Section 132D of the Companies Act, 1965 for Directors to issue shares	RESOLUTION 9		
10	Proposed renewal of authority for the Company to purchase its own ordinary shares	RESOLUTION 10		

Notes:

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting provided that where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Only members registered in the Record of Depositors as at 15 May 2012 shall be eligible to attend the meeting or appoint proxy or proxies to attend and vote on their behalf.
- The instrument appointing a proxy or proxies or the power of attorney or a certified copy thereof, 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.

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
15, Jalan 16/11, 46350 Petaling Jaya
Selangor Darul Ehsan, Malaysia

