

Star Publications (Malaysia) Berhad (10894-D)

INSIGHT • CONTENT • DEPLOYMENT

Compalling Content

Annual Report 2013

INSIGHT

Ensure we gain better insights into our markets and our audiences

on pulalidation

Dur success hinges on our ability to develop and implement insights-driven strategies that can marry the needs of the market with our businesses' internal capabilities.

Cover Pationale

This year's Annual Report theme — REDEFMMG — succinctly describes the Group's journey the past year. Through a rigorous and focused exercise, we re-examined our current asset portfolio, rediscovered our core competencies and realigned our business strategy to market needs. While the journey is yet to end, the effort has already begun to bear fruit as we become tighter, leaner and stronger in our positioning and offerings.

As we move forward, we will continue to be nimble and agile to adapt to changing needs at a faster pace. At the same time, our commitment to inspire views, thoughts and action and to offer compelling content in myriad forms, remains our priority.

As we do so, we will leverage on three key areas to fulfil our mandate — Insight Consolidation, Content Refinement and Ubiquitous Deployment.

Relinement

CONTENT

Ensure we actively craft and refine content that shouts above the noise

Armed with solid insights, we actively create and refine our offerings to ensure delivery of inspiring, compelling and dynamic content that grabs the attention of our audiences while informing and entertaining them.

DEPLOYMENT

Ensure we get our messages across to our audiences via effective and ubiquitous platforms

As we create compelling offerings that strike a chord with our audiences, we skillfully deploy this through the most effective and appropriate channels in the most pervasive and convenient mannex possible.



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

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

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the

Forty-Second 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, 21 May 2014 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 2013 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' Yip Kum Fook

Resolution 2

ii) Mr Lew Weng Ho

Resolution 3

 To re-appoint Tan Sri Datuk Seri Dr Fong Chan Onn, who is retiring pursuant to Section 129(6) of the Companies Act, 1965

Please refer Note vi

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 4

- 5. To re-elect the following Directors who retire by rotation pursuant to Article 101 of the Company's Articles of Association:
 - i) Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan

Resolution 5

- ii) Dato' Sri Kuan Peng Ching @ Kuan Peng Soon Resolution 6
- To approve Directors' fees of up to RM600,000 for the financial year ended 31 December 2013 Resolution 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 Resolutions:

8. ORDINARY RESOLUTION
PROPOSED RETENTION OF INDEPENDENT
DIRECTOR IN ACCORDANCE WITH THE
MALAYSIAN CODE OF CORPORATE
GOVERNANCE 2012

"THAT, Dato' Dr Mohd Aminuddin bin Mohd Rouse who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company."

Resolution 9

9. 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 ten per centum (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 10

10. ORDINARY RESOLUTION
PROPOSED RENEWAL OF AUTHORITY
FOR STAR PUBLICATIONS (MALAYSIA)
BERHAD TO PURCHASE ITS OWN SHARES

"THAT subject always to the Companies Act, 1965 ("Act"), rules, regulations and orders made

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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:
 - 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:
 - 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,

deal with the shares purchased in their absolute discretion in the following manner: (aa) cancel all the shares so purchased; and/or

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

- (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 11

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

BY ORDER OF THE BOARD

ONG WEI LYMN (MAICSA 0826394) **HOH YIK SIEW (MAICSA 7048586)**

Secretaries

Petaling Jaya 25 April 2014

whichever is earlier.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

- Only members registered in the Record of Depositors as at 12 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting in person or appoint proxy or proxies to attend and vote on their behalf.
- ii) 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.
- iii) 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.
- iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there should be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 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) Tan Sri Datuk Seri Dr Fong Chan Onn who retires pursuant to Section 129(6) of the Companies Act, 1965, had indicated to the Company that he does not wish to seek reappointment at the Forty-Second Annual General Meeting of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution No. 9
Proposed Retention of Independent Director in accordance with the Malaysian Code of Corporate Governance 2012

Pursuant to the Malaysian Code of Corporate Governance 2012, the tenure of an independent director should not exceed a cumulative term of nine (9) years unless an approval is sought from the Company's shareholders at the Annual General Meeting to retain the said director as an independent director. Dato' Dr Mohd Aminuddin bin Mohd Rouse was appointed as an Independent Non-Executive Director of the Company on 23 July 1997 and has therefore served for more than nine (9) years.

The Board via the Nomination Committee has conducted an annual assessment of the independence of the Independent Directors of the Company and the Board has recommended that Dato' Dr Mohd Aminuddin bin Mohd Rouse continues to act as Independent Non-Executive Director of the Company based on the following reasons:-

- a) He fulfils the criteria under the definition on Independent Director in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- b) He is able to bring independent and objective judgment to the Board;
- His wide range of business experience relevant to the Group enables him to provide the Board with a diverse set of corporate expertise, skills and competence;
- d) He has been with the Company for more than nine (9) years and therefore understands the Company's business operations which enables him to participate actively and contribute positively during deliberations or discussions at Board meetings;
- e) He has contributed sufficient time and effort and attended all the Committee and Board meetings for an informed and balanced decision making; and

f) He has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Ordinary Resolution No. 10 Proposed authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The Company had, during its Forty-First Annual General Meeting ("AGM") held on 22 May 2013, 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. 10 proposed under item 9 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 ten per centum (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.

Ordinary Resolution No. 11 Proposed renewal of authority for Star Publications (Malaysia) Berhad to purchase its own shares

The explanatory notes on Resolution No. 11 are set out in the Statement to Shareholders dated 25 April 2014 accompanying the Company's Annual Report for year 2013.



Discover your own private island.

If our lush rainforests, island views and cerulean blue seas don't seduce you, our secluded nature trails, private villas and intimate atmosphere will.

Vivanta by Taj Rebak Island,

Langkawi



FINANCIAL CALENDAR

FINANCIAL YEAR 1 JANUARY 2013 TO	31 DECEMBER 2013	
ANNOUNCEMENT OF 2013 PRELIMINARY	/ RESULTS	
First quarter	announced	22 May 2013
Second quarter	announced	14 August 2013
Third quarter	announced	20 November 2013
Fourth quarter	announced	27 February 2014
DIVIDEND		
First Interim	declared	14 August 2013
	entitlement date	27 September 2013
	paid on	18 October 2013
Second Interim and Special	declared	27 February 2014
	entitlement date	28 March 2014
	paid on	18 April 2014
ISSUE OF ANNUAL REPORT 2013		25 April 2014
ANNUAL GENERAL MEETING		21 May 2014

GROUP'S FIVE-YEAR SUMMARY

2009 RM'000	2010 RM'000	at 31 Decembe 2011 RM'000	2012 RM'000	2013 RM'000
642,880	592,647	532,517	543,554	515,298
130,011	124,601	169,326	309,391	320,528
	24,120	32,418		
636,688	415,281	651,357	605,009	638,693
1,409,579	1,156,649	1,385,618	1,457,954	1,474,519
738,564	738,564	738,564	738,564	738,564
(225)	(225)	(225)	(583)	(1,633)
149	536	854	1,040	1,172
	100	233	261	
e 24,771	20,721	23,972	22,361	21,116
490,847	248,526	302,261	377,430	403,103
1,254,106	1,008,222	1,065,659	1,139,073	1,162,322
28,778	27,335	40,195	31,410	31,877
126,695	121,092	279,764	287,471	280,320
1,409,579	1,156,649	1,385,618	1,457,954	1,474,519
	RM'000 642,880 130,011 - 636,688 1,409,579 738,564 (225) 149 - e 24,771 490,847 1,254,106 28,778	RM'000 RM'000 642,880 592,647 130,011 124,601 - 24,120 636,688 415,281 1,409,579 1,156,649 738,564 738,564 (225) (225) 149 536 - 100 24,771 20,721 490,847 248,526 1,254,106 1,008,222 28,778 27,335 126,695 121,092	RM'000 RM'000 RM'000 642,880 592,647 532,517 130,011 124,601 169,326 - 24,120 32,418 636,688 415,281 651,357 1,409,579 1,156,649 1,385,618 738,564 738,564 738,564 (225) (225) (225) 149 536 854 - 100 233 24,771 20,721 23,972 490,847 248,526 302,261 1,254,106 1,008,222 1,065,659 28,778 27,335 40,195 126,695 121,092 279,764	RM'000 RM'000 RM'000 RM'000 642,880 592,647 532,517 543,554 130,011 124,601 169,326 309,391 - 24,120 32,418 - 636,688 415,281 651,357 605,009 1,409,579 1,156,649 1,385,618 1,457,954 738,564 738,564 738,564 738,564 (225) (225) (225) (583) 149 536 854 1,040 - 100 233 261 24,771 20,721 23,972 22,361 490,847 248,526 302,261 377,430 1,254,106 1,008,222 1,065,659 1,139,073 28,778 27,335 40,195 31,410 126,695 121,092 279,764 287,471

CONSOLIDATED STATEMENT	OF	Asa			
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2009	2010	2011	2012	2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	973,921	1,061,700	1,067,668	1,079,907	1,025,330
Profit before tax	197,155	258,807	250,531	259,648	192,586
Tax expense	(47,522)	(68,639)	(65,219)	(58,906)	(53,170)
Profit after tax	149,633	190,168	185,312	200,742	139,416
Non-controlling interest	(4,922)	(5,227)	1,353	7,357	3,460
Profit after tax attributable to shareholders	144,711	184,941	186,665	208,099	142,876
Dividends Retained earnings for the year	(127,396)	(427,403)	(132,930)	(132,930)	(110,738)
	17,315	(242,462)	53,735	75,169	25,673

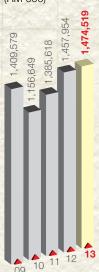
^{*} Comparative figures for 2010 and 2011 have been restated in accordance with MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards.

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

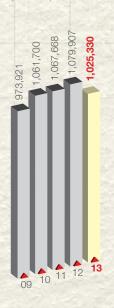
SHAREHOLDERS' FUNDS (RM'000)



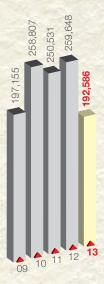
TOTAL FUNDS EMPLOYED (RM'000)



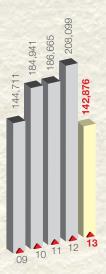
REVENUE (RM'000)



PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS (RM'000)



GROUP'S FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2013

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Revenue	973,921	1,061,700	1,067,668	1,079,907	1,025,330
Profit before tax	197,155	258,807	250,531	259,648	192,586
Profit after tax attributable to shareholders	144,711	184,941	186,665	208,099	142,876
Paid-up Capital	738,564	738,564	738,564	738,564	738,564
Shareholders' funds	1,254,106	1,008,222	1,065,659	1,139,073	1,162,322

FINANCIAL RATIOS		2009	2010	2011	2012	2013
Revenue growth	%	17.2	9.0	0.6	1.1	(5.1)
Net earnings per share #	sen	19.59	25.04	25.28	28.18	19.36
Return on shareholders' funds	%	11.5	18.3	17.5	18.3	12.3
Dividend per share - Gross	sen	21.0	73.6	18.0	18.0	15.0
Net assets per share ^	RM	1.70	1.37	1.44	1.54	1.58

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

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

CONSOLIDATED CASH FLOW SUMMARY

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Cash Flows from Operating Activities Net Cash from Operating Activities	337,515	101,297	259,001	202,653	211,139
Cash Flows from Investing Activities Net Cash used in Investing Activities	(69,753)	(17,315)	(10,351)	(78,374)	(22,754)
Cash Flows from Financing Activities Net Cash (used in)/from Financing Activities	(140,743)	(638,732)	23,499	(143,819)	(123,543)
Cash and Cash Equivalents as at beginning of financial year	621,556	773,229	216,688	493,683	473,558
Effect of Change In Exchange Rates	24,654	(1,791)	4,846	(585)	(432)
Cash and Cash Equivalents as at end of financial year	773,229	216,688	493,683	473,558	537,968
Cash and Cash Equivalents comprise the following:-					
Cash and Bank Balances	101,145	86,226	107,510	110,166	109,788
Short Term Deposits	672,084	130,462	386,173	363,569	428,329
Bank Overdraft	-			(177)	(149)
	773,229	216,688	493,683	473,558	537,968





HIGHLIGHTS

2013 saw us making strong strides on the Dffline front. We worked hard to garner solid insights into our audiences' diverse needs and translated those needs into our offerings. Dur efforts saw us leveraging on a host of engaging print, event, exhibition and leadership development platforms to inform and inspire our audiences.

New products: Life Inspired pullout | **Revamps:** StarSearch | Star2 | Automania | StarBiz & StarBizWeek | StarMetro | RedTomato | Flavours | SH Business Monthly | FACES | <mark>Book publishing:</mark> Extraordinary People: Stories of Courage and Selflessness | **Circulation initiatives:** Bid & WM | Merdeka & Malaysia Day Promo | **On-ground engagements:** Perfect Livin' | Tale Spin | StarPropertymy Stylish Living Property Fair | Star Health Fair | Star Education Fair | StarWalk

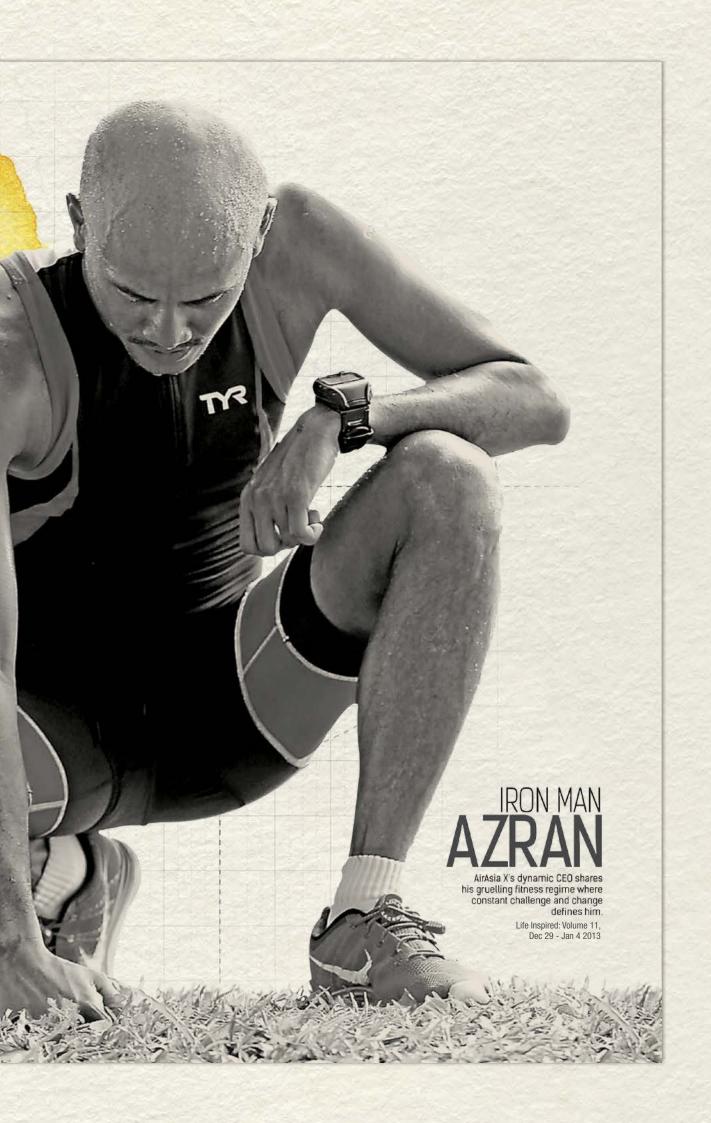


Life. Inspired

Arbiters of style ____ and refined living

A weekly pullout (every Sunday) dedicated to presenting the finer things in life.

Crafted for discerning brands looking to reach high-income readers of The Star.



Revamps

The Star Pullouts

Be it their new looks or attractively repackaged content, our publications continue to inspire, inform and entertain readers.







automania 🙎









Malaysia's No. 1 free Chinese Weekly

Enhanced with digital offerings including a revamped website (redtomato.com.my) and brand new mobile app (Red Tomato Mobile) featuring the best food and travel destinations in Malaysia.







WINNER WON PEUGEOT 408 TURBO CARS

Total prizes worth more than RM400,000 Additional 40 lucky winners



Narrating stories through storyboards and videos. Over 51,000 storyboard entries and 850 video entries received.

starproperty?my

STYLISH LIVING PROPERTY FAIR 2013

Over 180 booths by more than 60 exhibitors.

Starwalk 2013

More than 38,800 walkers.









Special Merdeka & Malaysia Day Subscription Promotion

Special price on bundle offers for subscribers. Subscription to The Star newspaper + The Star e Paper + e Flavours



More than 40,000 visitors over 3 days.

Star Education Fair 2013

Over 600 booths at Kuala Lumpur Convention Centre (KLCC) with 50,000 visitors from all over Malaysia.



perfect livin '13 Home & Lifestyle Exhibition

perfect lifestyle '13
HOME & LIVING EXHIBITION

13 exhibitions successfully held in Johor Bahru, Kuala Lumpur, Penang, Kuantan, Kuching and Kota Kinabalu.



4 DIVISIONS WITH 1 EXCELLENT ACHIEVEMENT

Property Development

With a strong presence in Bandar Baru Klang, Ampang and Puchong, and even in Xiamen, China; Acmar International Group is known for its core business in the property development sector as the integrated township pioneer developer.

Klang Executive Club

Established as the hospitality arm of Acmar International Group, the prestigious Klang Executive Club is an exclusive membership which is much sought-after in Klang.

Education

A private co-educational institution established in 1997, Sekolah Sri Acmar is a subsidiary of Acmar International Group strategically located in Bandar Baru Klang.

Honda, ACTMAR

A subsidiary of Acmar International Group, Actmar Sdn Bhd is the appointed dealer for Honda Cars based in Bandar Baru Klang.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Seri Dr Fong Chan Onn

Non-Independent Non-Executive Director & Chairman

Datuk Seri Wong Chun Wai

Group Managing Director & Chief Executive Officer

Tan Sri Datuk Seri Kamal Mohamed Hashim

Executive Director

Datin Linda Ngiam Pick Ngoh

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

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan

Independent Non-Executive Director

Dato' Sri Kuan Peng Ching @ Kuan Peng Soon

Non-Independent Non-Executive Director

AUDIT COMMITTEE

Mr Lee Siang Chin*

Chairman

Dato' Yip Kum Fook*

Member

Mr Lew Weng Ho*

Member

* Independent Non-Executive Director

SECRETARIES

Ong Wei Lymn (MAICSA 0826394)

Hoh Yik Siew (MAICSA 7048586)

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

GROUP STRUCTURE AS AT 1 APRIL 2014



Star Publications (Malaysia) Berhad

Star MediaWorks Sdn. Bhd. (100%)
- Star Papyrus Printing Sdn. Bhd. (100%)

I.Star Ideas Factory Sdn. Bhd. (90%)

Asian Center For Media Studies Sdn. Bhd. (100%)

Impian Ikon (M) Sdn. Bhd. (100%) —

Star Media Radio Group Sdn. Bhd. (100%) —
 (FKA Star Commercial Publications Sdn. Bhd.)

Laviani Pte Ltd (100%) —

Acacia Forecast (M) Sdn. Bhd. (100%)

Li TV Holdings Limited (51%)

Star Publications (Singapore) Pte Ltd (100%)

Excel Corporation (Australia) Pty Ltd (100%)

Capital FM Sdn. Bhd. (80%)

Red Tomato Media Sdn. Bhd. (84%)

Magnet Bizz Sdn. Bhd. (100%)
 (FKA Star Print Sdn. Bhd.)

Eighth Power Sdn. Bhd. (100%)

- I-Star Events Sdn. Bhd. (100%)

Venus Agency Sdn. Bhd. (100%)



Annual Report 2013 Star Publications (Malaysia) Berhad

GROUP STRUCTURE
AS AT 1 APRIL 2014
(Cont'd)

MyStarJob Network Sdn. Bhd. (100%)

I.Star Sdn. Bhd. (100%) -

Star Online Sdn. Bhd. (100%)

StarProperty Sdn. Bhd. (100%)

· iBilik Sdn. Bhd. (100%)

Ocision Sdn. Bhd. (90%) -

Propwall Sdn. Bhd. (100%)

Leaderonomics Sdn. Bhd. (51%)-

Carsifu Sdn. Bhd. (100%)

Star RFM Sdn. Bhd. (100%)

Ocision Pte Ltd (100%)

Rimakmur Sdn. Bhd. (100%)

Leaderonomics Media Sdn. Bhd. (100%)

Cityneon Holdings Limited (64%)

Li TV International Limited (100%)

Li TV Asia Sdn. Bhd. (100%)

Li TV Asia Pte Limited (100%)

AIUS Pty Ltd (100%)

BOARD OF DIRECTORS



TAN SRI DATUK SERI DR FONG CHAN ONN (NON-INDEPENDENT NON-EXECUTIVE DIRECTOR & CHAIRMAN)









BOARD OF DIRECTORS (Cont'd)











DIRECTORS' PROFILE



Tan Sri Datuk Seri
Dr Fong Chan Onn
70 years of age, Malaysian
Non-Independent Non-Executive Director &
Chairman

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

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.

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 five (5) Board Meetings held during the financial year ended 31 December 2013.

Tan Sri Datuk Seri Dr Fong does not have any family relationship with any director and/or major shareholder of 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 53 years of age, Malaysian Group Managing Director & Chief Executive Officer

Datuk Seri Wong was appointed as an Executive Director of Star on 11 March 2010 and re-designated to Group Managing Director & Chief Executive Officer of the Company on 20 November 2013. He has served the Company for 30 years, starting out as a journalist in the Penang office. Prior to his appointment as the Group Managing Director & Chief Executive Officer of the Company, he served in various capacities including the Group Chief Editor of The Star.

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 at several American universities including the University of Stanford and University of Southern California. He is an advisory panel member of the UKM Graduate School of

Business and also a supervisory counsel of Bernama, the national news agency. He is also a member of the Governance Council of the National Innovation Agency in the Prime Minister's Department and a trustee of the Global Movement of Moderates.

Datuk Seri Wong also holds directorships within the Star Group of Companies which includes Cityneon Holdings Limited, Singapore.

He attended all five (5) Board Meetings held during the financial year ended 31 December 2013.

Datuk Seri Wong does not have any family relationship with any director and/or major shareholder of 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 75 years of age, Malaysian Executive Director

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

Among his community roles, Tan Sri Datuk Seri Kamal 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 a trustee of Star Foundation and Yayasan Budi Penyayang Malaysia (Penyayang), Penang Swimming Club and Advisor of Crime Prevention Foundation Penang Chapter.

He is the 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 all five (5) Board Meetings held during the financial year ended 31 December 2013.

Tan Sri Datuk Seri Kamal does not have any family relationship with any director and/or major shareholder of 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 68 years of age, Malaysian

Independent Non-Executive Director

Dato' Dr Mohd Aminuddin was appointed as a Non-Executive Director of 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 on the Board of Trustees of Star Foundation.

He attended all five (5) Board Meetings held during the financial year ended 31 December 2013.

Dato' Dr Mohd Aminuddin does not have any family relationship with any director and/or major shareholder of 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 58 years of age, Malaysian Independent Non-Executive Director

Datin Linda Ngiam was appointed to the Board on 1 March 2007. She was the Group Managing Director and Chief Executive Officer of Star from 1 July 2008 until 30 June 2011 and served as Deputy Group General Manager from 2004 until her appointment as Group Chief Operating Officer in Star in 2005. Prior to this, she was General Manager, Advertising & Business Development (1985 – 2003). Datin Linda Ngiam was re-designated to Independent Director of the Company on 1 July 2013. She is also a member of the Finance and Remuneration Committees 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, United Kingdom.

She was a board member of the Audit Bureau of Circulations ("ABC"), Malaysia and Chairman of the ABC Content & Communications Committee and also held the position of the honorary secretary of Malaysian Newspaper Publishers Association and board member of the Advertising Standard Authority Malaysia.

Datin Linda Ngiam currently sits on the Board of MUI Properties Berhad, Hong Leong Assurance Berhad and Guinness Anchor Berhad. She is also on the Board of Trustees of Yayasan Sin Chew.

She attended all five (5) Board Meetings held during the financial year ended 31 December 2013.

Datin Linda Ngiam does not have any family relationship with any director and/or major shareholder of 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.



Mr Lee Siang Chin 65 years of age, Malaysian Senior Independent Non-Executive Director

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

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, Tune Insurance Malaysia Berhad and Maybank Investment Bank Berhad. He is a Director of the Social Security Organisation of Malaysia and a member of its investment panel.

He attended all five (5) Board Meetings held during the financial year ended 31 December 2013.

Mr Lee does not have any family relationship with any director and/or major shareholder of 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 59 years of age, Malaysian Independent, Non-Executive Director

Dato' Yip was appointed as an Independent Non-Executive Director of 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 five (5) Board Meetings held during the financial year ended 31 December 2013.

Dato' Yip does not have any family relationship with any director and/or major shareholder of 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 66 years of age, Malaysian Independent Non-Executive Director

Mr Lew was appointed as an Independent Non-Executive Director of 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 Non-Executive Chairman of Cityneon Holdings Limited, Singapore.

He attended all five (5) Board Meetings held during the financial year ended 31 December 2013.

Mr Lew does not have any family relationship with any director and/or major shareholder of 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' Fu Ah Kiow @ Oh (Fu) Soon Guan 64 years of age, Malaysian Independent Non-Executive Director

Dato' Fu Ah Kiow was appointed as an Independent Non-Executive Director of Star on 27 February 2014. He is also a member of the Finance Committee.

He holds a Bachelor of Science (Honours) degree in Physics and a Master's degree in Industrial Engineering and Management Science.

Dato' Fu was elected a Member of Parliament in 1995 and was a Deputy Minister in several ministries prior to his retirement in 2008. Before joining the government, Dato' Fu had worked as an engineer and in various managerial roles with multinational companies, and later founded and successfully managed companies engaged in construction and M&E engineering services.

He is currently the Chairman of Tiong Nam Logistics Holdings Berhad and several private companies.

He did not attend any Board Meetings in 2013 as his appointment was on 27 February 2014.

Dato' Fu Ah Kiow does not have any family relationship with any director and/or major shareholder of 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' Sri Kuan Peng Ching @ Kuan Peng Soon 68 years of age, Malaysian Non-Independent Non-Executive Director

Dato' Sri Kuan was appointed as a Non-Independent Non-Executive Director of Star on 27 February 2014. He is also a member of the Finance, Nomination and Remuneration Committees of the Company.

He is a qualified electrical engineer graduated from Adelaide University, South Australia and is registered with the Board of Engineers, Malaysia as a Professional Engineer and also a member of the Institution of Engineers, Malaysia.

Dato' Sri Kuan currently is the Executive Chairman of Fajarbaru Builder Group Bhd and also sits on the board of several other private companies. He did not attend any Board Meetings in 2013 as his appointment was on 27 February 2014.

Dato' Sri Kuan does not have any family relationship with any director and/or major shareholder of 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.

YOUR TOTAL WAREHOUSE AND LOGISTICS SOLUTIONS SINCE 1982



WAREHOUSING

- Storage
- Cargo Handling
- Stuffing & Unstuffing

FREIGHT FORWARDING

- Documentation for Imports & Exports
- Customs Clearance
- Freighting
- Container Haulage
- General Transportation

VALUE ADDED SERVICES

- Packing
- Labeling & Relabeling
- Palletizing
- Weighing
- Survey

OTHER SERVICES

- Customs Consultancy
- Marine & General Insurance
- Project Cargo Handling
- Forklift Hire
- Pallet Assembly & Rental
- Labour Supply









HIGHLIGHTS

The year saw us focusing our efforts on evaluating the efficacy of our Online channels to gain better insights into our audiences evolving needs. As a result, our main news portal was redefined while we introduced people-powered offerings that drew audiences further in. As we embark on expanding our digital offerings, we are confident of making further inroads into new market segments.

Re-faunch of No.1 news portal | Enhancing digital assets with Ocision | Tapping into crowd-sourced content | Padding up resume repository

Revamped

FRESH LOOK





THE STAR ONLINE

WHAT'S



MORE ACCURATE SEARCH FUNCTION

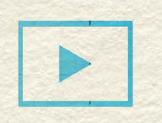


REFINED ARCHITECTURE

POPULAR TOPICS & BREAKING NEWS



MEW?



VIDEO-ON-THE SPOT

MALAYSIA'S NO. 1 NEWS PORTAL

The Star Online unveiled a more intuitive user experience with its new look and maintained pole position with average 31.6mil page views/month*

* Source: Google Analytics (Oct 2013 - Dec 2013)

New and Enhanced Digital Assets

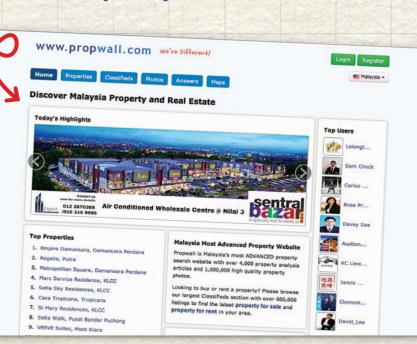




Acquiring Specialist Portals

The acquisition of Ocision immediately bolstered the Group's digital offerings, inline with our strategic effort to leverage on opportunities that arise with digital startup businesses while at the same time widening our digital footprint.

www.propwall.com





Tapping Into Crowd-Sourced Content

METRO ONLINE BROADCAST people-powered online news

Introducing a people-powered online news portal that covers community news and happenings. This is the Group's first foray into crowd-sourced content, an on-going trend that introduces a participatory approach to journalism.

Available at mob.com.my

MyStarjob com Job Portal's Sweet Offering



The group's job portal pads up its resume repository by offering job seekers a chance to win a car.

CHAIRMAN'S STATEMENT

ON BEHALF
OF THE BOARD OF
DIRECTORS,
I AM PLEASED TO
PRESENT TO YOU THE
COMPANY'S ANNUAL
REPORT AND AUDITED
CONSOLIDATED
FINANCIAL
STATEMENTS FOR
THE FINANCIAL
YEAR ENDED
31 DECEMBER 2013.



There were several changes within the Board during the year. The Board would like to take this opportunity to congratulate Datuk Seri Wong Chun Wai for his appointment as Group Managing Director and Chief Executive Officer on 20 November 2013. We would also like to thank Tan Sri Dr. Anthony Francis Fernandes, who resigned as an Independent Non-Executive Director of the Company on 19 November 2013, for his invaluable contributions. The Board is also pleased to acknowledge the re-designation of Datin Linda Ngiam to an Independent Non-Executive Director effective 1 July 2013.

On behalf of the Board of Directors, I would like to place on record the Group's appreciation to Tan Sri Vincent Lee Fook Long who was the Executive Deputy Chairman of the Company from 3 January 2011 to 31 March 2014 and wish him all the best in his future endeavours. At the same time, we welcome Dato' Fu Ah Kiow and Dato' Sri Kuan Peng Soon to the Board of Directors since 27 February 2014 and look forward to their engagement with the Board.

FINANCIAL PERFORMANCE

The operating landscape in 2013 was fraught with uncertainties due to concerns over the global economy as well as domestic politics. This had led businesses throughout Malaysia to take a more cautious approach when it came to advertising and promotional activities.

Revenue for the financial year ended 31 December 2013 declined by 5.1% to RM1.03 billion, as compared to last financial year. The Group's profit before tax was RM192.59 million (FY2012: RM259.65 million) while profit after tax was RM139.42 million (FY2012: RM200.74 million). However, it is important to note that there was an extraordinary gain of RM89.98 million from the disposal of land in Section 13, Petaling Jaya, Selangor which had been captured in the Group's 2012 financial results. Without this extraordinary gain, the Group's profit before tax and profit after tax for the year under review would have increased by 13.5% and 25.9% respectively year-on-year.

INDUSTRY TRENDS AND DEVELOPMENTS

The Malaysian advertising market recorded a total rate card spending of RM13.56 billion in 2013, marking a 19% increase from 2012, according to Nielsen Media Research. Out of this, RM4.57 billion was spent on newspapers, which was an improvement of 6% compared to last year. In terms of total advertising spent on English newspapers, The Star continued to lead the segment with a market share of 56.7%.

Circulation for the print version of The Star from January to June 2013 was recorded at 289,362 copies, a marginal decline of 0.4% compared to the same period a year ago, as verified by the Audit Bureau of Circulations. Nevertheless, the circulation for The Star's digital edition saw a remarkable 535% jump to 49,006 copies compared to the first six months of the previous year. Clearly, the Group's efforts to effectively expand into the digital sphere has started to bear fruit.

Meanwhile, according to Nielsen Consumer & Media View, weekly readership of The Star and Sunday Star remains strong at 1.425 million and 834,000 respectively in 2013.



▲ The Star's classifieds section was re-launched as StarSearch



▲ Launch of the *Life Inspired* pullout

BUSINESS DEVELOPMENTS AND OPERATIONS

The media industry is ever-evolving and highly competitive. In view of this, the Group has been redefining itself into a comprehensive and innovative media group that has the reach and means to effectively connect to people. Our efforts are centred on consistently reviewing and strengthening our media assets while at the same time expanding into relevant areas that can deliver value to our business as a whole.

print portfolio underwent enhancements in 2013. The Star newspaper, which remains our primary revenue generator, saw the introduction of Life Inspired, a weekly pullout dedicated for discerning tastes in art, architecture, travel and culture as well as fashion. The newspaper's classifieds section was re-launched as StarSearch, featuring listings with full colour pages and easy-to-navigate layout. The respective mastheads of Star Metro, StarBiz and StarBizWeek have been revamped to provide a more striking profile in addition to optimising editorial layout, while Star2 was given a makeover with a new look and fresh content line-up. The weekly motoring pullout also received a face-lift and was reintroduced as Automania.mv.

In the magazine segment, our well established Chinese business monthly, *Shang Hai*, has been transformed into the new *SH Business Monthly*. Our food and lifestyle magazine, *Flavours*, has also been reinvigorated with a new logo and layout as well as improved content. *Red Tomato*, our free Chinese weekly has embraced the digital route and presented its fans with an improved website and a new mobile app that showcases the best food and travel destinations in our country.

In terms of expanding its digital footprint, the Company had successfully acquired Ocision Sdn. Bhd. and its group of companies. This exercise essentially enabled us to acquire Ocision Group's three Internet portals, namely, iBilik.com, which offers short-term stay and room classified space in Malaysia; Propwall.com, one of the top three property classified providers in Malaysia in terms of traffic rank and pageviews; and Carsifu.com, a fast-growing online new and used car supermarket. Integrating these platforms into our existing media portfolio will give us the edge in the area of digital retail and branding.

The Star Online continues to be the most visited news portal in Malaysia with an average monthly pageviews of 37.6 million (source: Google Analytics, Oct 2013-Dec 2013). With the intention of maintaining this lead, an improved The Star Online portal featuring an updated layout, enhanced search engine, videos on-the-spot and other advanced functionalities was introduced in May 2013. Seeing that citizen journalism and online media consumption are growing trends, Metro Online Broadcast (MOB) was launched in May 2013. The online news portal at www.mob.com.my provides members of the public with a platform to share news and views from their own communities.

In 2013, our radio broadcasting division was abuzz with the rebranding of RED FM (104.9), which now spots a new logo, tagline and website as well as new announcers. The station has also enabled its fans to access it via HyppTV (Channel 955) in addition to upgrading its app for Android & iPhone for enhanced interactivity. On the digital front, all of our radio stations namely, 988, Suria FM, Red FM and

Capital FM have benefited from the newly revamped websites that are able to engage listeners in a more interactive way. Capital FM (88.9), being Malaysia's only female-targeted station has on 17 March 2014 expanded its coverage to Penang.

Cityneon Holdings Limited (Cityneon), our subsidiary that specialises in providing creative solutions in interior architecture, events, exhibitions and experiential environment cemented its foothold in the China market after successfully completing its role as the main contractor for all temporary overlays required for the 2013 Asian Youth Games in Nanjing. This contract marked Cityneon's first international multi-sports event in China. As a follow up to this achievement, Cityneon secured a contract to fabricate and install show elements in an international theme park in Pudong, Shanghai, which is expected to open by the end of 2015.

I.Star Ideas Factory Sdn. Bhd. (Perfect Livin'), our home & lifestyle exhibition business, organised a total of 13 exhibitions nationwide. These exhibitions managed to draw huge crowds that consisted of mostly homeowners in search of up-to-date technologies as well as contemporary lifestyle products for their home.

In 2013, Leaderonomics Sdn. Bhd., our leadership development subsidiary, was given the exclusive license to distribute the globally acclaimed Silega Simulations in Malaysia. The social enterprise also launched Leadership Clubs in several secondary schools throughout Malaysia, produced digital leadership content that is available for free on www.leaderonomics.tv and launched 'Do Good Academy' during the year, providing free leadership trainings for non-governmental organisations.



▲ Launch of Li TV's EdVentures In Asia with Korean celebrity chef host Edward Kwon



▲ Perfect Livin' exhibition at Putra World Trade Centre (PWTC)

Life Inspired (Li TV), our lifestyle TV Channel, made significant new landings in Thailand and Indonesia while strengthening its presence in Malaysia, Singapore, Brunei, Hong Kong and Taiwan. In addition, 2013 was a year of branded entertainment for Li TV following the launch of five branded series over five consecutive months. The channel has indeed become a platform of choice for a wide range of brands including those in the tourism, airline, banking and agriculture sectors.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group strongly believes that being a socially responsible corporate citizen is an integral part of our commitment to create value for our shareholders in a long-term and sustainable manner. As such, we have continued to spearhead and support initiatives that are tailored to benefit our stakeholders at large.

One of these initiatives is our 'Do Good. Volunteer.' campaign. Introduced in 2012 as a means to inspire volunteerism in our community, 'Do Good. Volunteer.' has since directly and indirectly enriched the lives of hundreds if not thousands throughout our community.

As recognition to its success, the programme received two Marketing Excellence Awards in 2013, namely for Excellence in Corporate Social Responsibility and Excellence in Public Relations. It was also voted Best in Community Service at the 12th Asian Media Awards 2013. Building further on its accomplishments, *Leaderonomics* launched the '*Do Good Academy*' in 2013. The Academy's primary role is to provide leaders of non-governmental organisations and other social entrepreneurs with the skills and knowledge to manage their organisations more effectively.



▲ Good Day Out event organised by Do Good. Volunteer.

The Group along with its subsidiary companies have also carried out various community engagement and enrichment programmes throughout the year. A complete report of our corporate responsibility initiatives can be found on page 88.

PROSPECTS

As we move forward, the operating environment in the media industry is expected to remain challenging. Business sentiments and consumer confidence continue to be dampened by domestic and macroeconomic factors. The industry itself is on a cusp of a paradigm shift as it continues to react and adapt to the fast-changing media consumption trends.

Nevertheless, opportunities abound in the face of challenges. The Group strongly believes that embracing the status quo is not an option and plans to stay the course in its journey to review our business portfolio, leverage on our core competencies and align our corporate strategies to meet the needs of the market. Our efforts have already started to contribute positively to our performance. We are confident that if we continue on this road, the Group will be in a stronger position to tap opportunities that lie ahead and deliver enhanced value to our shareholders.

In the current financial year, we expect Visit Malaysia Year 2014 as well as the 2014 FIFA World Cup to augur well for the Group. There is usually an upsurge in investments in advertising and promotional activities during national and global events of this scale. Coupled with the dedication, enthusiasm and calibre of our management team and employees, we are confident of turning in another satisfactory results for the year ending 31 December 2014.



A Revamp of SH Business Monthly

DIVIDENDS

The Board of Directors had on 27 February 2014 declared a single tier second interim dividend of 6.0 sen per ordinary share as well as a special tax exempt dividend of 3.0 sen per ordinary share. These dividends were paid on 18 April 2014.

Together with the single tier first interim dividend of 6.0 sen per ordinary share that was paid on 18 October 2013, total dividends that were paid out to shareholders amounted to 12.0 sen per ordinary share under the single tier tax system and 3.0 sen per ordinary share under the special tax exempt dividend for the financial year ended 31 December 2013.

APPRECIATION

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

My heartfelt thanks to our Board members for their support and invaluable guidance. We would also like to convey our deep appreciation for the hard work and dedication of the management and staff of the Group for delivering this encouraging results despite the difficult operating landscape. You have all risen to the challenge by working hard, professionally and as a cohesive team. Thank you.

Tan Sri Datuk Seri Dr Fong Chan Onn Chairman

25 April 2014



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MÜLLER MARTINI



- 1. Tan Sri Datuk Seri Kamal Mohamed Hashim Executive Director
- 2. Datuk Seri Wong Chun Wai
 Group Managing Director/Chief Executive Officer
- 3. Calvin Kan King Seong
 Chief Executive Officer, Star Radio Group
- **4. June Wong Har Leng**Group Chief Editor



MANAGEMENT TEAM (Cont'd)





- 6. Lim Bee Leng
 Chief Advertising Officer
- 7. Ragesh Rajendran
 Group Chief Financial Officer
- 8. Roy Tan Kong Weng
 Chief Operating Officer, Digital Business
- 9. Kudsia Kahar
 Chief Operating Officer, Star Radio Group

MANAGEMENT TEAM (Cont'd)

EDITORIAL

- Leanne Goh Lee Yen
 Deputy Group Chief Editor
- Brian Martin
 Executive Editor
- Dorairaj Nadason
 Executive Editor
- Errol Oh Boon Peng

 Executive Editor
- Rozaid Abdul Rahman
 Executive Editor
- Soo Ewe Jin
 Executive Editor

BUSINESS DEVELOPMENT

- Pamela Yap Huey Lian
 Group Chief Commercial Officer
 - Henry Asokan Group General Manager, Enterprise Sponsorship & Audience Development
- Iris Tan Kok Foong
 Chief Officer, Group Enterprise (Marketing & Government Relations)
- David Yeoh Phee Lip
 Senior Regional Manager, Operations (North)
- Timothy Hor Shoon Chan
 General Manager, Digital
- Jimmy Poey Yee Meng General Manager, Circulation
- General Manager, Group Editorial Business
 Development/Special Assistant to CEO
- Yuswanis Binti Mohd Yusof
 General Manager, Corporate Affairs
 - Kenny Thong
 Head, Events & Promotions, Marketing Services

FINANCIAL SERVICES

- George Chan Shiang Chiat
 Group General Manager, Corporate Services
- Chai Ming Jye
 Manager, Internal Audit

MANAGEMENT TEAM (Cont'd)

TECHNICAL SERVICES

 Tuan Haji Mohamed Hassan Bin Mohamed Ali

Group General Manager, Technical Services

Kevin Seng Sheng Yeow
 Senior Manager, IT Services

SHARED SERVICES

Angelina Villanueva

Group Chief Marketing Officer

- Terence Raj
 General Manager, Group HR & Administration
- Sin Poh Yin
 Manager, Security & Transport
- Ong Wei Lymn
 Group Company Secretary
- Soh Sze Jean
 Manager, Legal

BUSINESS EXTENSIONS

• Dato' Adriana Law Song Ting

Managing Director, I. Star Ideas Factory Sdn. Bhd.

Anne Chan

General Manager, Life Inspired

Roshan Thiran

Chief Executive Officer, Leaderonomics Sdn. Bhd.

Ko Chee Wah

Group Managing Director, Cityneon Holdings Limited, Singapore

Gan Chin Kew

Managing Director, Red Tomato Media Sdn. Bhd.

Mardzlina Binti Ismail

General Manager, Advertising, Magnet Bizz Sdn. Bhd. (F.K.A. Star Print Sdn. Bhd.)

Michelle Gomez

Chief Managing Editor, Magnet Bizz Sdn. Bhd. (F.K.A. Star Print Sdn. Bhd.)



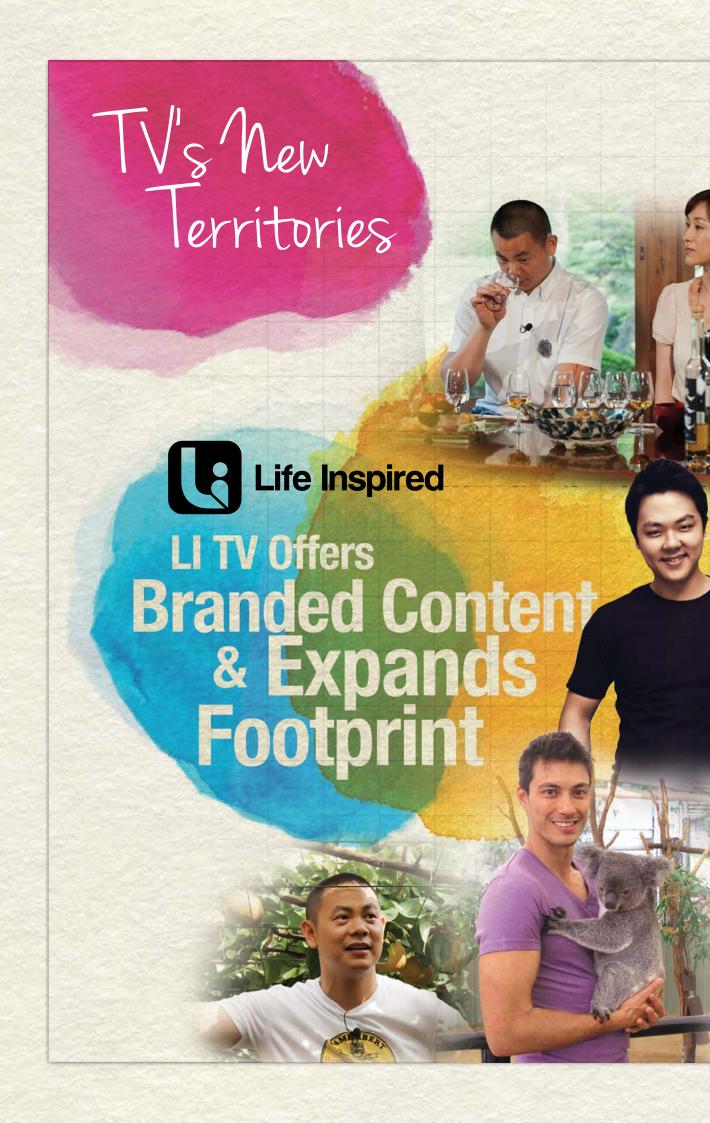


HIGHLIGHTS

ON-AIR

Dur Dn-Air channels continue to grow at a dizzying pace. As our unique and compelling brand of content quickly finds its way across effective and ubiquitous radio and TV platforms, we are truly beginning to make waves among discerning audiences.

UTV offers branded content & expands footprint | Star Radio Group (SRG) gains popularity | SRG promotes national unity - KAMILah Malaysia | RED FM unveils revamp | 988 hosts 13th Global Chinese Music Awards (GCMA)





UTV welcomes Thailand into the fold (April 13) via a 3-year carriage deal with Thailand's incumbent pay-tv platform operator, TrueVisions, thereby increasing subscriber base by 7%.

A 16-month carriage deal with Big TV Indonesia marks UTV's 7th pay-tv platform. Also available in Malaysia, Singapore, Brunei, Hong Kong and Taiwan.



A Year of Branded Content

UTV successfully launched 5 branded series across 5 consecutive months (July to November). It was the TV platform of choice for brands ranging from tourism boards, airlines to banks and agriculture ministries. Total gross advertising sales revenue contribution was RM2.3 million.

Radio Gets Sticky among Chinese commercial radio stations Chinese radio station in the Northern Region

capital fm 0/0
yearly
increase

in listenership



No.1 TSL

among commercial radio stations for under as year olds

Malay

commercial radio stations for 10pm-2am Suria Cinta with DJ Lin





150/ listener growth in the Southern Region

TSL: Time Spent Listening
Source: Nielsen Radio Audience Measurement, Wave 2 2013
* Digital platform, Source: RADIOactive, Sept 2013



13th Global Chinese Music Awards (GCMA) hosted by 988

A total of 74 awards were given out at the 13th Global Chinese Music Awards. This is the second time 988 hosted the show.

Driginally derived from a weekly radio chart show, the GCMA's main objective is to promote the development of Chinese music and reward outstanding contributions in the Chinese music industry.

Established in 2000, the annual GCMA is organised by seven affiliate Asian radio stations from China, Taiwan, Hong Kong, Singapore and Malaysia which take turns to host the awards ceremony.

Radio Stations Unveil Brand New Looks & Refreshed Content

- · 3 stations unveiled brand new looks & announcer line-ups.
- · Stations go digital with web & mobile broadcast plus HyppTV.
- · Household name livens up Traffic Updates Traffic queen Priscilla Patrick keeps listeners posted on traffic conditions during peak hours.



Star Radio Group Promotes National Unity

On 13 May & 16 Sept, for the first time ever in Star Radio Group history, announcers exchanged places across the four stations to present the morning shows as a symbol of racial harmony and unity. Beyond the airwaves, the campaign also took place via a dedicated microsite, a Monorail train wrap and a multi-lingual theme song, "Mulanya Disini".



CORPORATE GOVERNANCE STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

THE BOARD OF DIRECTORS
("BOARD") OF STAR PUBLICATIONS
(MALAYSIA) BERHAD ("STAR" OR
"THE COMPANY") BELIEVES THAT
GOOD CORPORATE GOVERNANCE
IS IMPERATIVE TO THE CONTINUED
GROWTH AND SUCCESS OF STAR
GROUP AND IS FIRMLY COMMITTED
TO OBSERVING AND MAINTAINING
HIGH STANDARDS OF CORPORATE
GOVERNANCE, TO PROMOTE
CORPORATE TRANSPARENCY AND
TO ENHANCE SHAREHOLDER VALUE.

The Board adheres closely to the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 ("Code") and other applicable laws, rules and regulations, including the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

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 safeguard the best interests of its shareholders and other stakeholders. 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.

This Statement sets out the Company's main corporate governance practices with reference to the Code for the financial year ended 31 December 2013. The Board is of the opinion that it has in all material aspects, complied with the Principles and followed the Recommendations outlined in the Code.

The BOARD OF DIRECTORS

Principal Responsibilities of the Board

The Group is led and controlled by an experienced and effective Board who provides oversight, strategic direction and entrepreneurial leadership. The Board's principal activities amongst others include setting out strategic plans and policies and overseeing the investments and business of the Company. In fulfilling its fiduciary duties, the Board ensures that there are appropriate systems and procedures in place to identify the Company's significant risks and implementation of appropriate internal controls and mitigation measures to manage these risks. Key matters such as approval of annual and interim results, major acquisitions and disposals, major agreements as well as review of the adequacy and integrity of the internal controls system and risk management strategies of the

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

Company are reserved for the Board. The Group has in place financial authorisation limits for matters such as operating and capital expenditure.

The Board also 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 senior management.

The Board is guided by a charter which provides reference for directors in relation to the Boards' roles, powers, duties and functions. The Board Charter also outlines the processes and procedures to ensure the Board's and their Committees' effectiveness and efficiency. The Board Charter comprises, amongst others, the well-defined terms of reference for the Board and its committees and the various relevant internal policies. This Charter will be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

Board Composition and Balance

The Directors are of the opinion that the current Board size and composition is appropriate for the scope and nature of the Group's business and operations and for facilitating effective discussions and decision making. No individual or group dominates the Board's decision making. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors. This is reflected in the diversity backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The Company currently has a Board of ten (10) Directors of whom six (6) are independent. The composition of Independent Non-Executive Directors is in compliance with the Listing Requirements to have at least one-third (1/3) of the Board comprised of Independent Non-Executive Directors and also complies with the Recommendation in the Code

to have a majority of Independent Directors if the Chairman of the Board is not an Independent Director. The Independent Directors fulfill the criteria of "Independence" as prescribed in Chapter 1 of the Listing Requirements. Mr Lee Siang Chin is the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and other stakeholders.

Please refer to pages 28 to 32 for details of the Directors, their profiles and their respective memberships.

Division of Roles and Responsibilities

The roles of Chairman, Executive Deputy Chairman ("EDC") and Group Managing Director & Chief Executive Officer ("Group MD & CEO") of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views and opinions between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

The Chairman is primarily responsible for orderly conduct and working of the Board. The Chairman encourages active and effective engagement, participation and contribution from all Directors and facilitates constructive relations among and between them and Management. The Chairman also ensures that no particular Board member dominates any of the discussions to ensure balance of power and authority within the Board whilst taking cognisance of the interests of minority shareholders and stakeholders.

The EDC together with the Group MD & CEO are responsible for executing the Group's strategies and policies, managing the overall operations and resources of the Group and acting as the main point of communication between the Board and corporate operations. The Group MD & CEO is also responsible for the day-to-day management of Star's operations and business as well as implementation of the Board's policies and decisions.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

Board Meetings

The Board meets regularly to review the key activities, financial performance, business plans, potential investments and/or management matters of the Group. Meetings for the year are scheduled at the end of the preceding year to ensure that the Board and its Committee meetings are accounted for in their respective schedules. The Board meets at least five (5) times a year and has a formal schedule of matters reserved to it. Additional meetings are held as and when required. The Company's Articles of Association provide for Board members who are unable to attend physical meetings to participate through telephone, video conference or any other form of electronic communications.

The Board met five (5) times during the year and attendance of Directors at Board Meetings, was as follows:

Name	Attendance
Tan Sri Datuk Seri	5/5
Dr Fong Chan Onn (Chairman)	
Datuk Seri Wong Chun Wai	5/5
Tan Sri Datuk Seri Kamal	5/5
Mohamed Hashim	
Datin Linda Ngiam Pick Ngoh	5/5
Dato' Dr Mohd Aminuddin bin	5/5
Mohd Rouse	
Mr Lee Siang Chin	5/5
Dato' Yip Kum Fook	5/5
Mr Lew Weng Ho	5/5
Dato' Fu Ah Kiow [®]	N/A
Dato' Sri Kuan Peng Soon®	N/A
Tan Sri Vincent Lee Fook Long#	5/5
Tan Sri Dr Anthony Francis Fernandes*	1/4

Notes:

- @ Dato' Fu Ah Kiow and Dato' Sri Kuan Peng Soon were appointed as Independent Non-Executive Director and Non-Independent Non-Executive Director respectively on 27 February 2014 and hence, they did not attend any meetings during 2013.
- # Tan Sri Vincent Lee Fook Long resigned as Executive Deputy Chairman and Director on 31 March 2014.
- * Tan Sri Dr Anthony Francis Fernandes resigned as Independent Non-Executive Director on 19 November 2013

Supply of and Access to Information

All Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Management provides the Board with detailed board papers specifying relevant information and justifications for each proposal for which board approval is sought. Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors in advance of the scheduled meetings. This is to give Directors sufficient time to review and consider the matters being tabled and/or discussed so that discussions can be more meaningful and productive. Senior Management is requested to attend Board and Board Committee meetings to provide additional information into matters being discussed and to respond to any queries that the Directors may have.

The Board is supported by qualified and competent Company Secretaries. All Directors have unrestricted access to the advice and services of the Company Secretaries. The Company Secretaries attend all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries also ensure that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers at the registered office of the Company. The Board is regularly updated on new statutory and regulatory requirements and governance matters. The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

The Directors, either as a group or individually, may seek independent professional advice, where necessary, in furtherance of their duties, at the Company's expense. The procedures for obtaining such advice are in place.

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.

Code of Conduct

The Board has established a corporate culture which engenders ethical conduct that permeates throughout the Company. Even though the Board does not formalise a Code of Conduct, the Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The Directors, officers and employees of the Company are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as Star Group's policies.

The Board is provided guidance on disclosure of conflict of interest and other disclosure information/ requirements to ensure that the Directors continuously uphold high standard of conduct in the performance of their duties. To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedure including requiring such Directors to abstain from

participating in discussions during meetings and abstaining from voting on any matter in which they are also interested or conflicted.

Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the Listing Requirements.

Board Committees

In order for the Board to efficiently provide oversight, it delegates specific areas of responsibilities to four (4) Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Finance Committee. Each Board Committee is governed by clear terms of reference which have been approved by the Board. The role of the Board Committees is to advise and make recommendations to the Board. The ultimate responsibility for decision making lies with the Board. Minutes of all Board Committee meetings are circulated to Board members so that they are kept abreast of proceedings and matters discussed at such meetings.

a) Audit Committee

The Audit Committee comprises wholly Independent Non-Executive Directors as follows:

- Mr Lee Siang Chin (Senior Independent Non-Executive Director) – Chairman
- 2. Dato' Yip Kum Fook (Independent Non-Executive Director) – Member
- 3. Mr Lew Weng Ho (Independent Non-Executive Director) - Member

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

The Committee's primary responsibilities 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 Audit Committee Report provides details of the composition of the Audit Committee, terms of reference and a summary of its activities as set out on pages 73 to 76 of the Annual Report.

b) Nomination Committee

The current Nomination Committee ("NC") consists exclusively of Non-Executive Directors as follows:

- Dato' Yip Kum Fook (Independent Non-Executive Director) – Chairman
- Dato' Dr Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director) – Member
- 3. Mr Lee Siang Chin (Senior Independent Non-Executive Director) Member
- Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) – Member (appointed on 18 March 2014)

The Board notes that whilst Bursa Securities Listing Requirements do not prescribe the chairmanship for the NC, the Code recommends that the NC should be chaired by a Senior Independent Director. Although NC of the Company is not chaired by the Senior Independent Director, the Board is satisfied that the NC is able to discharge its duties effectively through a formal and transparent process, in compliance with applicable law and regulations and high standards of corporate governance.

The NC's main responsibility, among others, is to recommend candidates for directorship to the Board as well as membership to Board Committees. The NC assesses the Board collectively on an on-going basis, taking into account size and the required mix of skills, knowledge, experience and independence

of the Non-Executive Directors. In making its recommendations to the Board, the NC takes into consideration the core competencies the Directors individually and collectively possess in relation to the businesses of the Group and the business environment. The NC also reviews the retirement of Directors eligible for re-election and re-appointment at the Annual General Meeting ("AGM") and succession planning for members of the Board and key management personnel. Gender diversity within the Board remains an essential aspect of the Board composition and the NC will continue to review this with a view to enhancing corporate governance practices.

During the financial year ended 31 December 2013, one (1) Committee Meeting was held and attended by all its members.

Procedure

1. Appointment to the Board

In the process of selection of suitable candidates for new directorships, the NC considers factors such as integrity, the ability to contribute to discussions, deliberations and activities of the Board and Committees and also look into the desired competencies to supplement the Board's existing attributes.

2. Performance Evaluation

The Board regularly evaluates the performance of the Board and governance processes to improve effectiveness of the Board and its Committees. The performance criteria for the Board evaluation amongst others includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with management and standards of conduct of the Directors. The evaluation process is led by the NC Chairman and supported by the Company Secretaries.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

The NC assessed annually the effectiveness of the Board as a whole, its Board Committees and the contribution of each Director. The assessments were carried out on self-assessment basis, which were summarised and discussed at the NC meeting and also shared with the entire Board. All assessments and evaluations carried out by the NC were properly documented.

3. Annual Assessment of Independent Directors

The NC determines the independence of each Director annually based on the definitions and guidelines of Bursa Securities Listing Requirements and also considers whether the Independent Director can continue to bring independent and objective judgement to board deliberations. An annual assessment form is completed and confirmed by individual Independent Directors on their status of compliance.

Although, the Board recognises the importance of independence and objectivity in decision making, the Board does not fix the term limits for Independent Directors. The Board believes that valuable contribution can be obtained from long-serving Directors who can provide invaluable insights of the Company's operations. The Director's calibre, experience and personal qualities and ability to discharge his responsibilities independently and effectively in the best interest of the Company predominantly determines the ability of a Director to serve as an Independent Director notwithstanding his tenure on the Board.

4. Re-election and Re-appointment of Directors

The NC also reviews the Directors' re-nomination to the Board on an annual basis. Other than those Directors appointed during the year, one-third (1/3) of the remaining Directors are required to retire by rotation and all Directors must submit themselves for re-election at each AGM at least once every three

(3) years but shall be eligible for re-election. Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders at the next AGM following their appointment.

Directors of or over seventy (70) years old are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965 before they can continue to act as a Director.

Activities Undertaken

During the meeting held in February 2013, the NC reviewed and assessed the mix of skills, expertise and composition, size and experience of the Board, including the core-competencies of the Directors, the contribution of each individual Director, independence of the Independent Directors, effectiveness of the Board as a whole and the Board Committees and also the retirement of Directors eligible for re-election or re-appointment.

The NC was satisfied that the Board size and its composition are optimum and all Directors and Board Committees had discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board. The Independent Non-Executive Directors continue to demonstrate their independence through their engagement in meetings by bringing objective and independent judgement to decisions taken by the Board. The Independent Non-Executive Directors of the Company had also devoted sufficient time and attention to the Group's affairs. None of the Directors on the Board hold more than five (5) directorships in other public listed companies on the Exchange.

The Board, on the recommendation of the NC would also like to retain Dato' Dr Mohd Aminuddin bin Mohd Rouse (who has served the Company as an Independent Director for more than nine (9) years) on the Board as an Independent Non-Executive Director and to hold office until the conclusion of the next AGM. The NC and Board are confident and believe that Dato' Dr Mohd Aminuddin bin Mohd Rouse can be tasked to discharge his duties and responsibilities independently and objectively

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

notwithstanding his tenure on the Board. Hence, the Company will seek its shareholders' approval on the retention of Dato' Dr Mohd Aminuddin bin Mohd Rouse to continue to act as an Independent Non-Executive Director until the conclusion of the next AGM.

c) Remuneration Committee

The Remuneration Committee ("RC") comprises mainly Non-Executive Directors. The current RC members are:

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

 Chairman
- Dato' Dr Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director) – Member
- Datin Linda Ngiam Pick Ngoh (Independent Non-Executive Director) – Member (appointed on 18 March 2014)
- 4. Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) – Member (appointed on 18 March 2014)

Note:

Tan Sri Vincent Lee Fook Long had ceased to be a member of the Committee on 31 March 2014 by virtue of his resignation as Executive Deputy Chairman and Director of the Company.

The RC's primary responsibility is to recommend to the Board annually, the remuneration for Directors and staff, in all its forms, drawing from outside advice, if necessary. The Committee also reviews the level and mix of remuneration and benefits policies and practices of the Company.

The RC had two (2) meetings during the financial year ended 31 December 2013 which were attended by all RC members.

d) Finance Committee

The current Finance Committee ("FC") members are as follows:

- Tan Sri Datuk Seri Dr Fong Chan Onn (Non-Independent Non-Executive Director)
 Chairman
- Datin Linda Ngiam Pick Ngoh (Independent Non-Executive Director) – Member
- Dato' Dr Mohd Aminuddin bin Mohd Rouse (Independent Non-Executive Director) – Member
- 4. Mr Lee Siang Chin (Senior Independent Non-Executive Director) Member (appointed on 18 March 2014)
- 5. Dato' Fu Ah Kiow (Independent Non-Executive Director) – Member (appointed on 18 March 2014)
- 6. Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) – Member (appointed on 18 March 2014)

Note:

Tan Sri Vincent Lee Fook Long had ceased to be a member of the Committee on 31 March 2014 by virtue of his resignation as Executive Deputy Chairman and Director of the Company.

The primary function of the FC is to review and evaluate investment and strategic proposals and thereafter make appropriate recommendations to the Board. During the financial year ended 31 December 2013, one (1) Committee meeting was held and attended by all its members.

Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme conducted by Bursatra Sdn. Bhd. The Board acknowledges the importance of continuous education and fully supports the need for its members to further enhance their skills and knowledge on relevant new laws and regulations and changing commercial risk to keep abreast with the developments in the economy, industry, technology and the changing business environment within which the Group operates.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

During the financial year, the Board members attended several seminars, forums and training programmes as follows:

Name of Director	Training & Seminars Attended		
Tan Sri Datuk Seri Dr Fong Chan Onn	 Board Chairman Series: The Role of the Board Chairman WAN-IFRA – Digital Advertising Conference in United States of America 		
Datuk Seri Wong Chun Wai	World Publishing Expo 2013 (IFRA Expo & Conference) in Berlin, Germany WAN-IFRA 65th World Newspaper Congress in Bangkok, Thailand		
Tan Sri Datuk Seri Kamal Mohamed Hashim	Briefing on Manufacturing Opportunities in Vietnam		
Datin Linda Ngiam Pick Ngoh	 Managing Effective Boardroom Dynamics and Board Evaluation Mechanism in Making Difference Directors' Continuous Education Programme 2013 		
Dato' Dr Mohd Aminuddin bin Mohd Rouse	Advocacy Sessions on Corporate Disclosure For Directors of Listed Issuers		
Mr Lee Siang Chin	 Goldman Sachs-Global Macro Conference in Hong Kong Credit Suisse Asian Investment Conference in Hong Kong Invest Malaysia Conference Invest Penang Seminar World Capital Markets Symposium in Malaysia 		
Dato' Yip Kum Fook	 Corporate Litigations WMDs: Winding-up, Minority Oppression and Derivative Action Termination of the Employment Relationship 		
Mr Lew Weng Ho	5 th International Financial Crime & Terrorism Financing 2013 : Risk, Governance & Self- Regulation "Within & Beyond"		
Tan Sri Vincent Lee Fook Long*	WAN-IFRA – Digital Advertising Conference in United States of America		
Tan Sri Dr Anthony Francis Fernandes*	 Reach Out Youth Convention Credit Suisse 16th Asian Investment Conference, Hong Kong World Economic Forum on East Asia, Myanmar Global Malaysia Series with YB Senator Dato' Sri Idris Jala, Kuala Lumpur Asean World Forum in Singapore CEO/IR Macquarie Asean Forum in Singapore CEO/IR CLSA Investor Forum in Hong Kong 		

• APEC CEO Summit in Bali

Notes:

- Tan Sri Dr Anthony Francis Fernandes resigned as Independent Non-Executive Director on 19 November 2013
- * Tan Sri Vincent Lee Fook Long resigned as Executive Deputy Chairman and Director of the Company on 31 March 2014.

In addition, the Directors receive regular briefings and updates on the Group's businesses, operations, risk management activities, Listing Requirements and relevant law updates.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

DIRECTORS' REMUNERATION

The RC reviews the remuneration framework (covering all aspects of remuneration including but not limited to directors' fees, allowances, bonus and benefits-in-kind) and specific remuneration packages for Executive Directors before recommending to the Board for endorsement. Non-Executive Directors are paid Directors' fees, subject to the approval of shareholders at the AGM and an annual allowance for each Board Committee they are a member of. Additional allowances are paid to Non-Executive Directors in accordance to the number of meetings attended during the year.

The level and structure of the Group's remuneration policy are aligned with business strategy and longterm objectives of the Group, as are appropriate to attract, retain and motivate Directors to provide good stewardship, as well as motivate key management personnel to successfully manage the Group. The remuneration of Executive Directors are structured so as to link rewards to the Company's and individual performance. The Executive Directors of the Company do not receive directors' fees. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by the individual Director concerned. 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.

Disclosure of Directors Remuneration

Directors' remuneration for the financial year ended 31 December 2013 is as follows:

	Executive RM	Non-Executive RM	Total RM
Directors' fees		591,370	591,370
Salaries/ incentives	6,628,907		6,628,907
Employers' contribution to EPF	879,040		879,040
Allowances/ Committee			
Allowances	A swerter	313,660	313,660
Benefits-in-kind	1,017,559	280,352	1,297,911
Total	8,525,506	1,185,382	9,710,888

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

Range of Remuneration	Executive Directors*	Non-Executive Directors *
RM50,001 to RM100,000*		1
RM100,001 to RM150,000		2
RM150,001 to RM200,000		2
RM200,001 to RM250,000		1
RM250,001 to RM300,000		1
RM350,000 to RM400,000	1	
RM2,000,000 to RM2,050,000	1	
RM6,050,000 to RM6,100,000	1	
	3	7

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

^{*} Including Director who resigned during the year.

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

SHAREHOLDERS

Communications with Shareholders

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

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. Announcements are made on a timely basis to Bursa Securities and this is made electronically to the public via Bursa Securities's website as well as the Company's Investor Relations section on the website starpublications.my.

Greater Shareholder Participation

The Company's AGM is the principal forum for dialogue with individual shareholders. The Board supports and encourages active shareholder participation at AGM. It is a crucial mechanism in shareholder communication for the Company. All shareholders of the Company receive the notice of AGM and summary financial report and on request, the full annual report. The Company's AGM is normally held within five (5) months after the close of the Company's financial year end. The notice is also advertised in the Star newspapers. The annual report is also available on the Company's website.

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 prior to the moving of the motion to approve the proposed resolution. Usually, a press conference is held immediately after the AGM whereat the Chairman

and the Executive Directors answer questions on the Group operations.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In performing its function, the Audit Committee of the Company reviews the quarterly and full year financial statements of the Company, including key significant financial reporting issues and assessments, to ensure compliance with the relevant applicable financial reporting standards. The Company disseminates quarterly and full year financial results and other related material information to shareholders via announcements to Bursa Securities within the stipulated timeframe and where appropriate, press releases and media and analyst briefings.

Directors' Responsibility Statement in respect of the preparation of the Audited Financial Statements

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

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

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

CORPORATE GOVERNANCE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

External Audit

The Group's independent external auditors, Messrs BDO play an essential role to 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 have an obligation to bring any significant weaknesses in the Company's system of controls and compliance to the attention of Management, Audit Committee and the Board.

The amount of non-audit fees paid to the external auditors and their associates during the financial year 2013 is RM1,152,705.

INTERNAL CONTROLS

Risk Management

The Board, through the Audit Committee, reviews the adequacy of the Group's risk management framework to ensure viable and robust risk management and internal controls are in place.

The Audit Committee receives a quarterly report on the risk profiles of the Group and the status of progress towards mitigating the key risk areas.

The Board and Management drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture.

Regular risk awareness and coaching sessions are conducted at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.

In addition, a risk-based approach is embedded into existing key processes as well as new key projects, and is compatible with the Group's internal control systems.

The Enterprise Risk Management department, alongside the Group's operational managers, continuously identify, monitor and mitigate the risks and reports the results to Management.

Internal Audit Function

The Group has an Internal Audit function that is supported by an Internal Audit Department. The Group's internal audit provides independent and objective assurance of the adequacy and integrity of the systems of internal controls. The Internal Audit Department reports to the Audit Committee. Details of the Internal Audit function, together with the state of the Group's internal controls, are given in the Audit Committee Report as set out in page 74 and Statement on Risk Management and Internal Control as set out in page 71 of the Annual Report 2013.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2014.





YOUR BUSINESS IS UNIQUE SO IS OUR ATTENTION TO YOU



WE MAKE IT OUR BUSINESS TO KNOW YOUR BUSINESS

Get so much more than a financing solution. RHB BizPower helps you grow your business with tailored products and personalized services.

- ♦ Loans of up to RM5 million
- Facility combinations with Term Loan, Overdraft or Trade Finance
- Loans of up to 5 times your collateral value

- Attractive loan tenure
- Easy application
- Fast approval

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

DURING THE FINANCIAL YEAR UNDER REVIEW, STAR **PUBLICATIONS (MALÁYSIA) BERHAD ("STAR" OR "COMPANY")** AND ITS SUBSIDIARIES ("GROUP") **CONTINUED TO ENHANCE ITS** SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT, TO **COMPLY WITH THE APPLICABLE** PROVISION OF THE MALAYSIAN **CODE ON CORPORATE GOVERNANCE** AND THE MAIN MARKET LISTING **REQUIREMENTS ("LISTING REQUIREMENTS") OF BURSA MALAYSIA SECURITIES BERHAD** ("BURSA SECURITIES")

Paragraph 15.26(b) of the Listing Requirements of Bursa Securities 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 Bursa Securities' Statement on Risk Management & Internal Control (Guidelines for Directors of Listed Issuers) provides guidance for compliance with these requirements.

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

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

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

BOARD RESPONSIBILITY

The Board of Directors acknowledges the importance of sound internal controls and risk management practices to safeguard shareholders' investment and the Group's assets. The Board affirms its overall responsibility for the Group's systems of internal controls which includes the establishment of an appropriate control environment and framework. The Board is also responsible for reviewing the effectiveness, adequacy and integrity of those systems. These systems are designed to manage rather than to eliminate, the risk that may impact the Group arising from non-achievement of the Group's policies, goals and objectives. Such system provides reasonable but 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

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 Head of Enterprise Risk Management 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 Chief Financial 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.

- Drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture.
- Regular risk awareness and coaching sessions are conducted at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.
- Quarterly review by the Audit Committee of the Board on the adequacy and integrity of the system of internal control and risk management process.

INTERNAL AUDIT FUNCTION

The Internal Audit Department operates within the framework stated in its Internal Audit Charter which is approved by the Audit Committee. The Internal Audit Department, provides the Board with independent opinions of processes, risk exposures and systems of internal controls of the Group.

Internal audit independently reviews the risk identification procedures and control processes, and reports to the Audit Committee on a quarterly basis. The Audit Committee reviews and evaluates the key concerns raised by Internal Audit Department and ensures that appropriate and prompt remedial action is taken by management. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

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

(a) Policies, procedures and limits of authority

- Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect and enhance operational efficiency. Cases of noncompliance to policies and procedures are reported to the Board and Audit Committee.
- Clearly defined delegation of responsibilities to committees of the Board and to management including organisation structures and appropriate authority levels.
- (b) Strategic business planning, budgeting and reporting
 - Regular and comprehensive information provided to management for monitoring of performance against strategic plans covering all key financial and operational indicators.
 - 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 or Executive Deputy Chairman.
 - The Group Chief Financial Officer provides the Board with quarterly financial information. Effective reporting system exposes significant variances against budget. Key variances are followed up by management and reported to the Board.
- (c) Risk assessment
 - The Group Managing Director/Chief Executive Officer or Executive Deputy Chairman, 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.

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.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management and various Board Committees and assurance from the Group Managing Director/Chief Executive Officer or the Executive Deputy Chairman and Group Chief Financial Officer, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management and internal control systems were adequate and effective for the financial year ended 31 December 2013 to address financial, operational and compliance risks, which the Group considers relevant and material to its operations. The Group will carry out continuous reviews on the control procedures to ensure consistent effectiveness and adequacy of the system of internal control, so as to safeguard shareholders' investment and Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the year ended 31 December 2013.

The limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in their review of the adequacy and integrity of risk management and internal controls system of the Group.

AUDIT COMMITTEE REPORT

MEMBERSHIP

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

Mr Lee Siang Chin

- Senior Independent Non-Executive Director (Chairman)

Dato' Yip Kum Fook

 Independent Non-Executive Director (Member)

Mr Lew Weng Ho

 Independent Non-Executive Director (Member)

TERMS OF REFERENCE

The terms of reference of the Audit Committee are set out on pages 75 to 76.

MEETINGS

The Committee held five (5) meetings during the financial year ended 31 December 2013, which were attended by all members. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The Executive Deputy Chairman, Group Managing Director and Chief Executive Officer, Group Chief Financial Officer, Head of Internal Audit and Head, Enterprise Risk Management were also invited to attend and brief the members on specific issues. The external auditors, Messrs BDO attended some of these meetings upon the invitation by the Committee.

Attendance of members of the Audit Committee at meetings held during the year is as follows:

Name	Attendance
Mr Lee Siang Chin (Chairman)	5/5
Dato' Yip Kum Fook (Member)	5/5
Mr Lew Weng Ho (Member)	5/5

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.

Below is a summary of principal activities carried out by the Audit Committee during the year:

- a) Reviewed the Company's Budget for year 2013.
- b) Reviewed the external auditors' scope of work and audit plans for the year to ensure sufficient coverage in terms of scope. 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.
- c) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's responses.
- d) Considered and recommended to the Board for approval of the audit fees payable to the external auditors.
- e) Reviewed the independence, objectivity and suitability of the external auditors and services provided, including non-audit services. Non-audit fees totalling RM1,152,705 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.
- f) Approved the Internal Audit Plan for financial year 2013.
- g) 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 also met up with the Head of Internal Audit on separate sessions, without presence of the Executive Directors and management.

AUDIT COMMITTEE REPORT (Cont'd)

- h) 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.
- 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.
- j) 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 consolidation and resolution.
- k) 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 Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the provisions of the Companies Act, 1965.
- 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, MFRS-IFRS and other relevant legal and regulatory requirements.
- m) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- n) Reviewed the related party transactions entered into by the Group.
- o) Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian

Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement, incorporating the Statement on Risk Management and Internal Control, pursuant to the Listing Requirements.

 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. Key audit findings and recommendations are discussed at Audit Committee Meetings and timely and proper followup and implementation of audit recommendations is closely tracked by the Management.

The total costs incurred by the Internal Audit Department for the internal audit function of the Group in 2013 amounted to RM701,733.

AUDIT COMMITTEE REPORT (Cont'd)

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 ("MIA"); or
 - (ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and
 - he must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - (iii) fulfills such other requirements as prescribed or approved 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 auditors, convene a meeting of the Committee to consider any matter, which the external auditors believe should be brought to the attention of the directors or shareholders;
- 4.4 The external auditors have 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 and management present at least twice a year;

AUDIT COMMITTEE REPORT (Cont'd)

- 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 auditors, their evaluation of the systems of internal accounting controls;
 - (iii) with the external auditors, their audit report;
 - (iv) the assistance given by the Company's officers to the external auditors;
 - (v) the adequacy of the scope, functions, competency, 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 Head of Enterprise Risk Management, the risk management practices and procedures;
- (b) to nominate a person or persons as external auditors; and
- (c) to perform any other functions/ responsibilities/duties as may be imposed upon them by Bursa Securities or any other relevant authorities from time to time.

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

ADDITIONAL COMPLIANCE INFORMATION

OTHER DISCLOSURES

The following information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 December 2013.

2. SHARE BUY-BACK

The shareholders of the Company at the Forty-First Annual General Meeting held on 22 May 2013, granted authority to the Company to repurchase its own shares provided that the aggregate number of shares purchased do not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the point of purchase.

During the financial year ended 31 December 2013, the Company repurchased a total of 412,000 ordinary shares of RM1.00 each as follows:

Month	No. of shares purchased and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average price paid per share (RM)	Total consideration (RM)
December 2013	412,000	2.360	2.700	2.54	1,050,529

The total 607,200 shares repurchased by the Company were retained as treasury shares during the financial year ended 31 December 2013.

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

During the financial 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 for the financial year.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

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

8. 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 incurred for services rendered to the Company or its subsidiaries for the financial year amounted to RM1,152,705 by the Company's auditors or a firm or a company affiliated to the auditor's firm.

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AWARDS 2013

Editorial



12TH ASIAN MEDIA AWARDS

Best Newspaper Feature

- Chin Mui Yoon (Silver)

Best in Sports Photography

- Art Chen (Bronze)

SOCIETY OF PUBLISHERS ASIA (SOPA) AWARDS FOR EDITORIAL EXCELLENCE

Excellence in Feature Writing

- Chin Mui Yoon (Honourable mention)



WAN-IFRA ASIAN DIGITAL MEDIA AWARDS

Best Newspaper Website in the Online Media

- The Star Online (Bronze)





ASIAN ENVIRONMENTAL JOURNALISM AWARD (AEJA)

Coca-Cola Environmental Story of the Year

- Meng Yew Choong

City Developments Ltd (CDL) Environmental Journalist of the Year

- Meng Yew Choong



SIEMENS GREEN TECHNOLOGY JOURNALISM AWARD

Asean-Pacific Winner

- Meng Yew Choong



MALAYSIA ASEAN CORPORATE GOVERNANCE INDEX

Corporate Governance Journalist of the Year Award

- Errol Oh

MPI-PETRONAS MALAYSIAN JOURNALISM AWARDS

Best Environment Journalism Award

- Isabelle Lai Lin Hui

REGIONAL INDIGENOUS VOICES IN ASIA AWARDS

Special Recognition Award
- Isabelle Lai Lin Hui





SUHAKAM HUMAN RIGHTS AWARDS

- Shaila Koshy





HEALTH MEDIA AWARDS

Best Health Award (English newspaper)

- S.S. Yoga
- Tan Shiow Chin (Consolation Prize)

Best Photo Award

- Art Chen (Consolation Prize)



PENANG GREEN JOURNALISM AWARDS

Excellence Award in the Features Category

- Christina Chin

Special Award in the Features Category

- Cavina Lim

Excellence Award in the News Category

- Oh Chin Eng

Special Award in the News Category

- Winnie Yeoh

Broadcast

MALAYSIA MEDIA AWARDS

Best Use of Sponsorship

 Serving Up a Delicious Media Meal - Maybank sponsorship for "EdVentures in Asia", as seen on LI TV (Bronze)





11TH TAN SRI LIM GAIT TONG ANNUAL JOURNALISM AWARDS

Datuk Louis Ng Chun Hau English Business News Award

- Christina Chin Swee Gaik (Excellence Award)

Dato Khor Teng Haw English News Category

- Josephine Bernadette Jalleh (Excellence Award)
- Winnie Yeoh Chien Huey (Commendation Award)

Datuk Khor Teng Tong English Feature Award

- Winnie Yeoh Chien Huey (Excellence Award)
- Tan Sin Chow & Kow Kwan Yee (Commendation Award)

Datuk Khor Teng Tong English Feature Category

 Christina Chin Swee Gaik, Josephine Bernadette Jalleh & Tan Sin Chow (Commendation Award)



ANUGERAH BINTANG POPULAR BERITA HARIAN

Top 5 Popular Male and Female Radio Announcers

- Halim Othman (SuriaFM)
- DJ Lin (SuriaFM)

Brand and Marketing Awards



KANCIL AWARDS

Chairman's Award

- Datuk Seri Wong Chun Wai



12TH ASIAN MEDIA AWARDS

Best in Newspaper Marketing

- The Star iSnap (Bronze)

MARKETING EXCELLENCE AWARDS

Excellence in Mobile Marketing

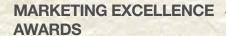
- The Star iSnap (Gold)



PUTRA BRAND AWARDS

Media and Entertainment

- The Star (Silver)



Excellence in Social Media

- R.A.G.E (Gold)



Corporate Social Responsibility



12TH ASIAN MEDIA AWARDS

Best in Community Service

- Do Good. Volunteer. (Bronze)

MARKETING EVENTS AWARDS

Best Event for Community Service

- Do Good. Volunteer. (Bronze)

MARKETING EXCELLENCE AWARDS

Excellence in Corporate Social Responsibility

- Do Good. Volunteer. (Gold)

Excellence in Public Relations

- Do Good. Volunteer. (Silver)

Human Capital

HUMAN RESOURCES EXCELLENCE AWARDS MALAYSIA

Excellence in Talent Management

- Talent and Leadership Acceleration Programme (Silver)

Excellence in Graduate Development

- StarTRACK Graduate Trainee Programme (Bronze)

Excellence in Employer Branding

- Star Publications (M) Bhd (Bronze)





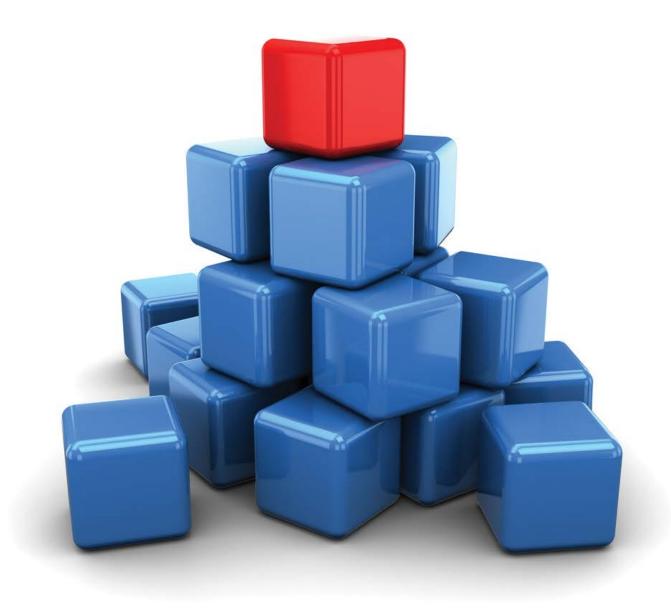
Publishing

WORLD GOURMAND COOKBOOK AWARDS LIFESTYLE

Health sub-category

"Food For Your Eyes"
 by Dr Kenneth Fong
 Choong Sian and Goo
 Chui Hoong (First Prize)

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HORENSO™

CORPORATE RESPONSIBILITY

AT THE STAR MEDIA GROUP, OUR MISSION TO BE THE VOICE AND CONSCIENCE OF THE PEOPLE OUTLINES OUR COMMITMENT AND RESPONSIBILITY AS A MEDIA ORGANISATION.

As a corporate citizen, the Group recognises the need to move beyond the role of citizen watchdog through active on-ground engagement and to ensure long-term value creation through actionable initiatives to serve the needs of all stakeholders.

2013 has been a year of engaging people internally and externally through improved and enhanced engagement in the workplace and community. Identifying these as key focus areas, we continue to refine our approach to fulfil our role as a caring media group that serves to inspire and enrich lives.

THE STAR'S COMMITMENT AS A RESPONSIBLE CORPORATE CITIZEN

- To ensure a working environment that promotes safety, protects rights, enhances work-life balance and propels employee growth to achieve their fullest potential.
- To create and curate content that is relevant, accurate and reliable.
- To uphold integrity and privacy of our readers and partners through conscientious management of personal information.
 - To demonstrate good corporate governance and transparency.
- WORKPLACE
 COMMUNITY >

 *MARKETPLACE
 - **ENVIRONMENT**
- To heighten level of awareness of community's needs.
- To drive tangible changes to benefit the underprivileged at a grassroots level.
- To ensure moderation in energy consumption through the monitoring of carbon emissions.
- To implement cleaner and greener operations through renewable energy sources.

CORPORATE RESPONSIBILITY

(Cont'd)

MARKETPLACE

Consumers and Clients

As a leading media organisation, we are conscious of our responsibility to manage and develop content that is relevant, reliable and factually accurate. Our user statistics (whether it is readership, circulation, listenership, or unique visitors online) prove that we remain a reliable source of information and intelligence. We endeavour not to do anything that may compromise our integrity and reputation, and we always take a balanced approach towards every action or decision.

Shareholders and Investors

The Group is committed to providing the investment community and the public with timely, complete and accurate updates of the Group based on the principles of transparency, integrity and good corporate governance. We practice active and regular communication with shareholders, research analysts and asset fund managers through quarterly briefings, annual general meetings, and discussions throughout the year. Aside from these meetings, our corporate website aims to deliver comprehensive information in full compliance with the Best Practices in Corporate Disclosure, enabling our stakeholders to gain a better understanding of the Group's performance.

Ethical Procurement

The Group strictly prohibits any of its employees from engaging in acts of bribery, corruption and any form of unethical behaviour. With a stringent checking and tendering system for procurement and contracts in place, and a culture that promotes transparency, we are confident that ethical standards apply across the board.

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 Star media group prioritises employee safety, employee rights and work-life balance. Most importantly is professional development to enable employees to achieve their highest potential within the organisation.

As a result of our efforts to create a five-star workplace, the Group won multiple accolades at the inaugural Human Resources Excellence Awards 2013. Spurred by this recognition, we will continue to refine ourselves through the adaptation and implementation of best practices, with the aim of creating an ideal and enviable work environment for our employees.



▲ The HR team at the HR Excellence 2013 Awards

THE STAR'S COMMITMENT TO CREATING AN IDEAL WORKPLACE

Employee engagement through multiple internal touchpoints

Talent development for succession planning

Reinvigorating our workforce with recruitment of skilled and dynamic talent

Rewarding employees for their service and loyalty

Championing prevalent causes through the Employee Volunteer Programme

5

Maintaining good industrial relations

Promoting a safe and hazardfree workplace and focusing on the personal safety of our employees

Clarion Call to Enhance Staff Performance and Workplace Excellence

The Call to focus on *Compelling Content*, *Convergence*, *Commanding Revenue* and *Cost Control* stemmed from the need to instill a sense of urgency among employees.

By highlighting common goals and priorities, employees were spurred into action.



▲ Converged Editorial newsroom

Outcomes of the Clarion Call included the revamp of The Star newsroom as part of the Convergence effort. The newly enhanced and open layout of the newsroom literally demolished barriers between the different news divisions and established a defined and centralised command centre which included the online editorial team. This made way for the exchange of ideas and insights between editors and journalists through open communication and established a clear presence of the digital news team, thereby signalling the shift in emphasis from a purely print focus to a converged content approach.

This Group-wide effort received recognition by the HR Excellence Awards 2013 with a Bronze medal. As the Group moves forward, where warranted, physical shifts will take place alongside procedural and structural shifts, as part of our on-going effort to redefine who we are as a media entity and to ensure the Group comprises of best-in-class talents.



▲ Celebrating Valentine's Day

Engaging People

As a caring media group committed to serve the people, we recognise that our relationship with our employees is vital in helping us deliver our promise to our audiences, clients and stakeholders. For this reason, we seek to establish as many engagement points to build meaningful connections with our employees, and at the same time addressing their needs and contributions.

To do this, several engagement channels are in place to facilitate communication between the management and employees.



▲ Finance Department Away Day

▲ Induction programme for new employees

INTERNAL ENGAGEMENT CHANNELS

ENGAGEMENT	CHANNEL	HOW IT WORKS?
Internal announcements	Corporate Portal System ("CPS")	Internal information such as HR announcements, important notices and upcoming Company events are disseminated via this portal.
	Quarterly e-newsletter, e-Scoop!	e-Scoop! is a newly improved version of our Company newsletter. e-Scoop! reports happenings within the organisation and recognise staff achievements through announcement of awards and accolades won by The Star media group employees.
Celebrations	Special on-ground promotions during Commemorative Days	Breaking free from the monotonous office life, we promote work-life balance among our employees through various fun activities held in conjunction with celebrations throughout the year: Valentine's Day, Mother's Day and Father's Day.
Intra- departmental Activities	Department Away Day	In accordance with the headcounts of each respective department, the Company allocates a special budget aside to organise annual departmental events.
Induction programme	Induction programme for new employees	An induction programme is organised regularly to equip new recruits with insights into the Group's overall operations.

A Day With HR

In conjunction with HR Open Day 2013, the Human Resources department organised a two-day event in collaboration with various government agencies to offer employees the convenience of enjoying government services within the comforts of their workplace. Employees were able to complete their National Registration Identity Card renewal, Zakat accounts registration, EPF account updates and more. In addition, health screening was made available by our panel hospitals, offering complimentary mammogram, body check-ups and eye check-ups for all employees.



▲ Blood Donation drive during HR open day



Datuk Seri Wong Chun Wai renewing his National Registration ID during HR open day



▲ YTLP (Young Talent Leadership Programme) Graduation

Talent Development

In 2013, the Company maintained its investments amounting up to RM1.1 million for talent development.

In partnership with our subsidiary Leaderonomics, a series of annual Leadership Programmes catered to junior, middle and senior level employees were organised. The programmes, which run over a period of 6 months, are aimed at enhancing each individual's leadership skills through personal assessment tests, skills-based training, mentorship guidance and implementation of live projects.

- Young Talent Leadership Programme –
 45 Graduates
- Mid Talent Leadership Programme –
 24 Graduates
- Senior Talent Leadership Programme –
 15 Graduates





▲ StarTRACK 2.0



▲ Long Service Award

To complement the talent development initiatives, StarTRACK – the Group's management trainee programme - successfully produced 17 graduates since its inception in 2010.

In 2013, the award winning StarTRACK programme was re-introduced as StarTRACK 2.0, with structural improvements to optimise the learning process for trainees. Expanding the original 9-month module of departmental rotations to a fully customised two-year self-study module, StarTRACKers are able to gain a more holistic learning experience through 4 department or division rotations. Each R-jobs (robust jobs) assigned to the StarTRACKer lasts for 6 months, enabling them to fully immerse themselves in the operations to develop a good understanding of their assigned departments, processes and product specialities within the Group. In addition, trainees are also required to undergo quarterly leadership sessions and complete live projects in a competitive environment. Upon completion of the programme, trainees are assessed against their peers and the best performing trainee will be offered their preferred position within the Group.

Rewarding Long Service and Loyalty

In conjunction with The Star's 42nd Anniversary celebration, the Company rewarded the commitment and generous contributions of 29 long serving employees with the presentation of **Long Service Awards**. The conferment of the Awards also marks their 15th year milestone with the Company.

Employees' Children Education Awards

In 2011, the Group introduced the **Star Employees' Children Education Awards** to encourage academic excellence among the children of the Group's employees. The Awards honour high scorers for primary, secondary and tertiary examinations with cash incentives for their outstanding results.

There are two categories under this Awards, namely the Education Excellence Award and the Tertiary Education Award. In 2013, a total of RM18,300 was awarded to 51 recipients under the Education Excellence Award; and RM289,000 awarded to 59 recipients under the Tertiary Education Award.



▲ EVP-Food Parcel Programme

Doing Good All Year Round

Continuing the 'Do Good. Volunteer.' initiative which was launched in 2012, the Group partnered with United Nations High Commissioner for Refugees ("UNHCR") and Sahabat Support Centre to feed 100 refugee families under UNHCR's Food Parcel Programme as part of the Company's Employee Volunteer Programme ("EVP").

The 8-month initiative resulted in 800 food parcels packed and sent to our beneficiaries, thanks to the concerted effort of Do Gooders from The Star media group.

- 800 Food Parcels contributed to aid Refugee families.
- 156 volunteer hours clocked in by Do Gooders from The Star media group.

Industrial Relations

The Collective Agreement between the Company and the National Union of Journalists ("NUJ") Peninsular Malaysia was signed on 12 December 2012, taking immediate effect on 1 January 2013. This marks the first time in the past 34 years whereby the collective agreement was signed off ahead of its expiry date.

The Collective Agreement between the Company and the National Union of Newspaper Workers ("NUNW") was signed on 21st August 2013.

Both collective agreements were signed with a salary adjustment of 13%. Apart from improved benefits, new benefits were introduced.

Health and Safety at Work and Beyond

The practice of inculcating safety culture at the workplace has been a primary focus for the Company since its inception. The Occupational Safety and Health Committee ("OSHC") is tasked to ensure that all necessary measures are implemented and managed professionally to prevent risks and hazards in the workplace.

The Occupational Safety and Health statistics in the following page shows recorded incidences in our headquarters and printing plants.



▲ The Collective Agreement with NUJ

FATAL / LOST TIME INJURY VS. NON-LOST TIME INJURY 2009 - 2013 30 -25 -20 -14 15 -12 9 10 2009 2010 2013 2011 2012 YEAR FATAL LTI Property damage/ Near miss

Regretably, the number of incidents increased in comparison to the previous year. Up to 50% of Lost Time Injuries ("LTI") were caused by motor vehicle accidents, and the remaining caused by mishaps in the workplace. To address the increase in number and severity of motor vehicle accidents, the respective location OSHC hopes to focus primarily on motor vehicle safety in the year ahead.

That said, despite a relatively low number of hazardous occurrences, the potentially fatal consequences of any given case is of major concern and poses a great risk to the safety of the workplace.

NUMBER OF INCIDENCES BY LOCATION FROM 2009 - 2013



With Star Media Hub recording a slightly higher amount of incidences, the OSHC aims to concentrate on reviewing and reinforcing safety measures upon the completion of Press machine upgrade works in both printing plants.

In a nutshell, our 5-year-review shows that incidents that give rise to LTI are on a general declining trend. It augurs well for us to sustain this trend as it is every organisation objective – including ours – to achieve zero LTI.

In 2013, 48 Emergency Response Team members were appointed to assist the committee in the event of an emergency in the workplace.



▲ Safety Campaign 2013 at Menara Star

The **Safety Campaign 2013** themed "Personal Safety" marks one of the many efforts carried out by OSHC to enhance the safety of our employees. Extending its usual scope of fire drill demonstrations, the safety campaign encouraged proactivity in responding effectively to emergency situations. Addressing the safety of our female employees, a session on personal safety specifically for women was conducted in collaboration with the Criminal Investigation Department under PDRM. The event ended on a high note with a self-defence demonstration by a certified instructor.



Installation of solar panels on roof top of Star Media Hub

ENVIRONMENT

Apart from reducing carbon emissions, moderating energy consumption and implementing scheduled waste management, the Group works closely with accredited agencies such as the Sustainable Energy Development Authority Malaysia ("SEDA") to explore green technology as a way of improving energy usage for a cleaner and greener environment.

Solar Investments for Cleaner Operations

As an effort to adopt a viable strategy for energy saving and enhancing cost efficiencies, the Group embarked on solar investments under the Feedin-Tariff ("FiT") programme launched by SEDA. The installation of 2,000 units of crystalline solar panels on 4,000 sq. metres of the roof top of Star Media Hub enables us to generate clean energy from sunlight, which can then be sold to Distribution Licensees at a fixed rate.

By opting for Solar Photovoltaic (PV) as our choice of renewable energy source, the Company is entitled to a 21-year contract as a Feed-In Approval Holder ("FiAH"), which not only yields an average of 463.5 matrix ton* of carbon dioxide emission reduction per year, but also generates up to RM15.5million in gross revenue through sales of renewable energy over a duration of 21 years.

* Based on the 2012 statistics published by Green Tech Malaysia, the emission factor for electricity generation for Peninsula Malaysia is 0.741 tCO₂/MWh.

Efficient Management of By-products

To minimise our impact on the environment, constant measures are put in place to ensure that sustainable practices are applied in handling materials used in the production of newspapers.

PAPER

- 30% of The Star's newsprint supply consists of recycled paper.
- Unsold newspapers are sent for daily recycling

WASTE WATER MANAGEMENT

- An efficient in-house system Industrial Effluen Treatment System ("IETS") - induce savings as waste water management no longer requires third-party intervention.
- Safe margins attained in generation of waste water.

WASTE MATERIALS MANAGEMENT

- Professional management and disposal of ink cartridges and printing plates by certified waste companies
- Scheduled wastes from excess lubrication oil, hydraulic oil and ink disposed in compliance with legal policies.
- Oil-contaminated materials are sent for recycling by an approved contractor.

Minimising Carbon Footprint

In our headquarters Menara Star, the mission of reducing energy usage is demonstrated through the active participation and support from The Star employees. In the event that any of our office electrical appliances are not in use, employees are encouraged to turn off the power for a more energy efficient workplace.



AIR CONDITIONING

- Zoning based on peak and off-peak usage for all departments
- Recaliberation of temperature between 22 to 24 degrees
 Celcius based on load requirement of each department.
- Improvements in maintenance of the system for efficient electricity consumption.



LIGHTING

- T5 energy saving fluosrescent lights favoured for departments that operate more than 12 hours per day.
- T5 fluorescent-powered signboards on the exterior of Menara Star building.



COMPUTERS

- Auto-shutdown programming of selected computers at 2.30 a.m. daily
- Flat screen desktop monitors which consumes 90% less energy favoured over CRT monitor screens.

Green Journalism

Green Journalism was initiated in The Star back in the 1990s during the pinnacle of the global environment movement. Ever since, our advocacy in environment related issues became an essential part of our daily news reporting and weekly editorial features.

As a green advocate to Malaysians, The Star take prides in the recognition of our efforts reflected on the various awards and accolades received from local and international organisations.



▲ Green Reporting

RESULTS



1,921

RIIKES



1,026

TOTAL PLEDGES



1,867

CONTEST



165

TOTAL CASES REPORTED



3,174

YOUTUBE



13,869 PAGEVIEWS

WEBSITE

TOTAL ENGAGEMENTS:

OVER
22,000



▲ RAB website

COMMUNITY

As custodian of the People's Paper as well as a slew of other media brands, the Group is entrenched into society, placing us in a good position to understand, empathise, and where possible, act upon causes that matter to the people.

The Pain Must Stop - R.AGE Against Bullying

80% of young Malaysians admitted to being bullied yet many do not speak up, accordingly to a survey conducted by R.AGE – The Star's youth platform.

To that end, The Star launched **R.AGE Against Bullying ("RAB")**, an initiative to promote the fight against bullying. A portal was created (rageagainstbullying.com) to allow victims to speak up anonymously about their experiences. The public were also invited to make pledges in support of this



▲ RAB with Nick Vujicic

cause. In addition, the website provided practical guidelines for victims or bystanders on what to do or whom to call when they experience or witness abuse.

As a result, youths responded to RAB positively. In StickUp Against Bullying! – a photo contest that allows anybody to creatively express their pledge – youths from different age groups, background and ethnicities joined to convey one important message: "The pain must stop."

Notwithstanding RAB being a relatively new initiative, the results have been encouraging thus far.

To eradicate bullying, RAB will continue to give victims a voice, and more importantly, a platform for the community to come together to stop bullying whenever it happens.



▲ Celebrities join the RAB campaign



Volunteers helping out at the Soup Kitchen during Good Day Out



It's a Good Day Out! - Do Good. Volunteer.

In 2013, The Star continued to highlight issues and stories surrounding volunteerism in a bid to encourage a more nurturing and caring society. In conjunction with National Volunteer Year 2013, **Good Day Out** was launched, inviting members of the public to participate in monthly "voluntourism" events happening throughout the whole of Selangor.

The motivation behind this project is driven by the effort to minimise the gap between non-government organisations ("NGOs") and volunteers. Good Day Out not only helps volunteers to establish deeper connections with relevant causes, but enables them to interact more closely with supporting NGOs and build meaningful relationships through human interaction.

Good Day Out is catered to everybody, even for first-time volunteers. In collaboration with partnering non-profit organisations ("NPOs"), monthly projects were facilitated with proper supervision and training to ensure a safe and fun platform for volunteers to do their part.

Good Day Out sets out to achieve three objectives:





Home Build for *orang asli* during Good Day Out

Throughout the seven months of this campaign, Good Day Out received overwhelming public response and successfully filled up the maximum number of participants for most of the events. In addition, partnering NPOs featured in the editorial articles also reported an increase in awareness, donations and volunteers helping out their cause. The immense support garnered to make this effort a success reflects the sincere intentions of young Malaysians in contributing to the welfare of the society and the nation.

THE WHERE'S, WHEN'S AND WHAT'S OF GOOD DAY OUT 2013

MONTH	THEME / COMMEMORATIVE EVENT	PARTNERING NGO	PROJECT
June 2013	World Environment Day	Alzheimer's Disease Centre Petaling Jaya	Clean up hot spring and set up vertical garden at Alzheimer's Centre.
July 2013	Ramadan month	Grace Community Services	Cook, pack and serve hot meals to <i>orang asli</i> families.
August 2013	International Homeless Animals Day	Furry Friends Farm	Upgrade pet shelter.
September 2013	International Day of Charity	Habitat for Humanity Malaysia	Build homes for <i>orang asli</i> families.
October 2013	World Food Day	Badan Amal Nur Zaharah	Organic farming with underprivileged children.
November 2013	International Volunteer Day	Zoo Negara	Assist in daily operations at National Zoo.
December 2013	Save Our Waterfalls Nationwide Campaign	Pertubuhan Pencinta Air Terjun Selangor	Clean up waterfall and river monitoring.



▲ Launch of Do Good Academy

Do Good Academy for NGOs and NPOs

Our on-going engagement with various NGOs and NPOs exposed us to the constant challenges faced by these organisations. As charitable organisations rely heavily on donations to operate, NGOs and NPOs are constantly faced with sustainability issues and in some cases, the lack of efficient management skills to operate a charitable body.

In light of this issue, Leaderonomics launched Do Good Academy to provide training for NGOs and to equip them with the necessary basic skills to run their organisations efficiently and effectively.

In a nutshell, the efforts undertaken to expand DGV has yielded encouraging results and positive feedback from partnering NPOs and volunteers alike. Moving forward, we hope to further enhance this campaign to influence more Malaysians to step up and say yes to volunteerism.

The Do Good Academy has conducted training sessions for **79** NGO's in just 3 months.

2013 saw a 45% increase over 2012 in the number of overall volunteers to 7800.

The Star's Employee

has resulted in

assistance to 800

monthly Food Parcel

Programme.

The Good Day Out initiative resulted in over 300 volunteers. Volunteer events were over-subscribed by 37%.

In Support of Various Charitable Causes

The Star Foundation is the charitable arm of Star Publications (Malaysia) Berhad aimed at administering funds for charitable and social purposes.

As part of Perfect Livin's Give Back Programme, RM100,000 was donated to Star Foundation which was subsequently channeled to Beautiful Gate Foundation and Rumah Orang-orang Tua Seri Setia.



▲ Perfect Livin' donates to Star Foundation

A Big Charity Day is a fundraising initiative by Star Radio Group in support of underprivileged children. The first-of-its kind event saw staff members from all four radio stations - Capital FM, Suria FM, RED FM and 988 - coming together for a funfilled day at Publika in Solaris Dutamas. The event attracted a turnout of hundreds with donations totaled at RM30,000, channeled to the Pertubuhan Kebajikan Anak-Anak Yatim Al-Nasuha and Angels Children's Home.

In support of the animal cause driven by stray animal caretaker Pak Mie, RED FM initiated a Volunteer Programme special Teh Tarik Party held in conjunction with Earth Hour. Highlights of the event included a memorable performance by refugee families via the Ovation Vocal Specialist group, a special sign language performance by RC Deaf Mission Malaysia and a quick spin in a Lotus car for generous donors. The event raised RM17,670 to support Pak Mie in his mission to rescue and shelter abandoned pets.



▲ Star Education Fund recipients

In collaboration with Malaysian Crescent Society and Tropicana City Mall, announcers from Star Radio Group participated in the **Typhoon Haiyan Charity Drive** in aid of victims in the Philippines. Members of the public were invited to participate in the donation drive by contributing monetary aid or usable items such as blankets, clothings and nonperishable food items.

The Star organised a **distribution of free face masks** daily in light of the worsening haze situation on June 2013. The masks were given out at Menara Star in Petaling Jaya, as well as offices in Klang, Kuala Lumpur, Seremban, Johor and Malacca. The Star also distributed free masks at 7-Eleven outlets with every purchase of a copy of The Star newspaper.



▲ Free masks given out to public

The Star Education Fund – Celebrating 20 Years of Service

Since its inception in 1994, **The Star Education Fund** continues to reward educational opportunities to outstanding and deserving young Malaysians. In its 20 years of service, The Star Education Fund awarded a total of 3,108 scholarships valued at RM86 million. This effort is a joint contribution with partners-in-education from local and international educational institutes that share the same vision.

A Day in the Life of a Star Journalist

Since 1993, hundreds of aspiring young journalists have signed up for the **BRATs** (Bright, Roving, Annoying Teens) programme each year. Conducted by R.AGE., the BRATs workshop aims to offer participants basic journalism skills and experience as pressmen in the real world. In its 21st edition, BRATs participants were given exciting assignments at some of Malaysia's top destinations, namely Johor Bahru, Kuala Terengganu and Penang. Throughout the four days of the workshop, participants are required to interview, take photos and record videos for their stories to appear in a special dedicated section under R.AGE. BRATs graduates are also



BRATs in the field

invited to be contributors for the youth section where assignments are given out by the R.AGE team through a BRATs alumni Facebook Group.



▲ BRATs carrying out their assignment

Teens with a flair and passion in broadcast journalism would certainly relate well to the **NIKON-Young News Network** programme, a brainchild of The Star's online TV channel, SwitchUp.TV. In addition to the twice-a-year workshops for participants to familiarise themselves with basic interviewing, photography, videography and social media reporting; the programme initiated a talk show series titled "You Don't Say", inviting youths to openly discuss and debate on different issues ranging from rights to personal image.

For secondary school students looking to embark on an unforgettable yet rewarding journalism experience - Starstruck! Young Writers programme offers just that. With hard hitting topics such as child marriage and bribery among teens to get a driving license, the writers delved into issues currently faced by teenagers all over Malaysia. On top of the interviews and researches, young journalists are expected to meet deadlines for stories to be published on The Star's weekly educational pullout, stuff@school. Those who had performed well throughout the programme stood a chance to become a cub reporter in The Star during the year-end school break. Out of the 50 writers that made the cut in 2013, 12 very deserving young writers experience life as a journalist in various editorial desks - News, Metro, Education, Features and SwitchUp.TV.



Mighty Minds ► 2013 - Winning team

Battle of Brains at the Mighty Minds Challenge

In comparison to previous years, the new approach to questions and gradual shift from the purely Mathematics and Science focus promised a whole new level of excitement for the highly anticipated RHB-The Star Mighty Minds Challenge. Covering a wider scope of general knowledge, the zealous battle of grey matter challenged the most critical and creative students throughout the country. After the qualifying round in state level, the National Grand Finals further identified five groups out of the 14 state representatives, putting the finalists through challenges to test their speed, presentation skills and general knowledge. The competition concluded with SMJK Sam Tet, Perak making a clean sweep as champions in both lower and upper secondary categories, where both teams walked away with cash prizes worth RM10,000 and other electronic gadgets. The upper secondary winning team was in for an additional treat with free tickets to participate in BT Young Scientist and Technology Exhibition held in Dublin, Ireland.

Our Young Speakers, Our Pride – The Star-ESU Malaysia Public Speaking Competition

For the 11th year, The Star in partnership with English Speaking Union (ESU) presented **The Star-ESU Malaysia Public Speaking Competition**, to provide a conducive training platform for students to verbalise their perspectives with poise and confidence to a live audience. Open to youths aged 16 to 20, the programme began with public

speaking workshops to prepare participants for the challenge ahead where they would be judged on the substance of their speeches, styles and techniques, general effectiveness and ability to answer questions from the panel of judges. Champions subsequently represent Malaysia to compete with young speakers from other countries at the ESU International Public Speaking competition in London. Over the years, the Competition has not only helped young people hone their social skills and build confidence, it has also unearthed local gems who have since done our nation proud.

Wong Xiao Qing

Champion, The Star-ESU Public Speaking Competition 2004, Malaysia

Best Non-Native English speaker, Audience Choice Awards, ESU Public Speaking Competition, London

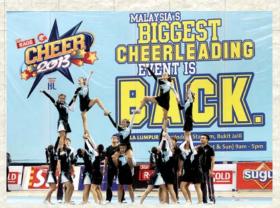
Marina Tan Hsien Wei

Champion, The Star-ESU Public Speaking Competition 2012, Malaysia

Champion, ESU Public Speaking Competition, London

Thevesh Thevananthan

Champion, The Star-ESU-PKT Logistics Group Public Speaking Competition 2013, Malaysia Audience Choice World Champion Award, ESU Public Speaking Competition, London



▲ Winner of CHEER 2013 - Cyrens

Cheers All Around!

The 14th edition of **CHEER** delivered another year of nail-biting and adrenaline-pumping action as the best cheerleading teams from all over the country wow audiences with their daredevil stunts. This year, the premier inter-school cheerleading competition by R.AGE featured 36 teams in total, with the brand new All-Girls Junior category in its exciting line-up. With over 10,000 roaring fans at the Grand Finals, fourth-time-champion Cyrens from SM Sri Kuala Lumpur bagged first place with their perfect routine and their sister team, Rayvens won championship trophy for the All-Girls Junior Division.

Promoting Academic Excellence in a Fun and Engaging Manner

With its inaugural issue dating as far back as three decades ago, Kuntum has journeyed a long way to become the nation's number one Bahasa Malaysia educational magazine for primary school children. Throughout the year, on-ground events are organised for children to enhance experiential learning beyond the pages of the magazine.



▲ Kuntum readers



▲ Participants of the Kuntum-Dutch Lady Coloring Contest 2013

Kuntum Bengkel Kecemerlangan UPSR is an annual workshop open to Year Five and Year Six pupils to supplement their preparation for the UPSR examination. The workshop took place in Selangor, Penang, Perak and Kedah, with each intake benefiting up to 200 participants with experienced facilitators, useful examination tips and additional reference materials.

The Kuntum-Dutch Lady Colouring Contest returned for the second consecutive year and took place in Selangor, Penang, Kedah and Kelantan. The first colouring contest of the year which took place in Shah Alam attracted an impressive turnout of 2,400 participants aged 7 to 12.

to our friends at The Star

congratulations

on staying **ahead**

Financial Statements

Directors' Report

Statements Of Financial Position

By Directors Comprehensive Income

Statements Of Profit Or Loss And Other

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Consolidated Statement Of Changes In Equity

Statement Of Changes In Equity

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

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	139,416	158,722
Attributable to:		
Owners of the parent	142,876	158,722
Non-controlling interests	(3,460)	
	139,416	158,722

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 RM44,302,000 and RM22,151,000 respectively in respect of the financial year ended 31 December 2012 were declared and paid on 26 February 2013 and 29 March 2013 respectively.
- (b) A first interim dividend of 6.0 sen per ordinary share, single tier, which amounted to RM44,285,000 in respect of the financial year ended 31 December 2013 was declared and paid on 14 August 2013 and 18 October 2013 respectively.

Subsequent to the financial year, on 27 February 2014, 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 RM44,277,000 and RM22,139,000 respectively in respect of the financial year ended 31 December 2013. The dividends are payable on 18 April 2014 to the shareholders whose names appear in the Record of Depositors at the close of business on 28 March 2014.

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.

DIRECTORS' REPORT (Cont'd)

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.

As disclosed in Note 18 of the financial statements, during the financial year, the Company repurchased a total of 412,000 of its own shares from the open market. The average price paid for the shares repurchased was RM2.54 per ordinary share. The total consideration paid was RM1,050,529, including transaction costs of RM4,779. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

Details of the repurchase of shares were as follows:

2013	Average	Number of	Total
	purchase price	shares purchased	consideration
	RM	'000	RM'000
December 2013	2.54	412	1,050

DIRECTORS

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

Tan Sri Datuk Seri Dr. Fong Chan Onn
Tan Sri Vincent Lee Fook Long
Datuk Seri Wong Chun Wai
Tan Sri Datuk Seri Kamal Mohamed Hashim
Datin Linda Ngiam Pick Ngoh
Mr. Lee Siang Korn @ Lee Siang Chin
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Dato' Yip Kum Fook
Mr. Lew Weng Ho
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
Tan Sri Dr. Anthony Francis Fernandes

(appointed on 27 February 2014) (appointed on 27 February 2014) (resigned on 19 November 2013)

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

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

	Number	.00 each —		
	Balance as at			Balance as at
	1.1.2013	Bought	Sold	31.12.2013
Direct interests in the Company				
Tan Sri Vincent Lee Fook Long	658,300	159,000	(165,000)	652,300
Datin Linda Ngiam Pick Ngoh	636,800	-	(136,000)	500,800
Datuk Seri Wong Chun Wai	10,000	10,000	-	20,000
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	-	-	100,000
Indirect interests in the Company				
Datin Linda Ngiam Pick Ngoh	287,000	-	-	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 has 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.

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 profit or loss and other 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.

DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(I) AS AT THE END OF THE FINANCIAL YEAR (cont'd)

(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 of bad debts written off or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
 - (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.

DIRECTORS'	REPORT
(Cont'd)	

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 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 Seri Wong Chun Wai

Director

Tan Sri Datuk Seri Kamal Mohamed Hashim

Director

Petaling Jaya 18 March 2014

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 116 to 229 have been drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2013 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 41 on page 230 of the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,	
Datuk Sari Wang Chun Wai	Tan Sri Datuk Seri Kamal Mohamed Hashim
Datuk Seri Wong Chun Wai Director	Director
Petaling Jaya	

18 March 2014

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 116 to 230 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)	
18 March 2014)	Ragesh Rajendran

Before me:

S. AROKIADASS

(No. B390)

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STAR PUBLICATIONS (MALAYSIA) BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Star Publications (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other 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 116 to 229.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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 accounts 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 accounts of the subsidiaries that have been consolidated with the financial statements of the Company 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 accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR PUBLICATIONS (MALAYSIA) BERHAD (Cont'd)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 41 of 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

Kuala Lumpur 18 March 2014 **Ooi Thiam Poh**

2495/01/16 (J) Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

		C	Group	Company		
		2013	2012	2013	2012	
	Note	RM'000	RM'000	RM'000	RM'000	
ASSETS						
Non-current assets						
Property, plant and equipment	7	507,295	535,305	486,441	509,354	
Investment properties	8	8,003	8,249	8,003	8,249	
Intangible assets	9	133,818	122,255	4,675	1,782	
Investments in subsidiaries	10	-	-	266,703	176,773	
Investment in associates	11	2,950	-	-	-	
Investment in a joint arrangement	12	143	2,650	509	2,650	
Other investments	13	50,687	60,951	50,687	54,179	
Other receivable	14	130,554	122,950	127,150	122,950	
Deferred tax assets	15	2,376	585	-	-	
Total non-current assets		835,826	852,945	944,168	875,937	
Current assets						
Inventories	16	117,161	160,285	116,456	159,636	
Other investment	13	5,000	-	5,000	-	
Trade and other receivables	14	201,717	208,711	135,762	199,461	
Current tax assets		278	-	-	-	
Cash and cash equivalents	17	538,117	473,735	419,046	336,204	
Total current assets		862,273	842,731	676,264	695,301	
TOTAL ASSETS		1,698,099	1,695,676	1,620,432	1,571,238	

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013 (Cont'd)

EQUITY AND LIABILITIES TO AS, 564 738,564			C	Group	Company		
Second		Note				2012 RM'000	
Share capital 18 738,564 738,666 738,766 738,768 <	EQUITY AND LIABILITIES						
Treasury shares 18 (1,633) (583) (1,633) (582) Reserves 19 425,391 401,092 430,033 382,04 Interpretation of the controlling interests 1,162,322 1,139,073 1,166,964 1,120,03 Non-controlling interests 31,877 31,410 - - TOTAL EQUITY 1,194,199 1,170,483 1,166,964 1,120,03 Non-current liabilities 20 200,000	Equity attributable to owners of the parent						
Reserves 19 425,391 401,092 430,033 382,04 Non-controlling interests 31,877 31,410 - TOTAL EQUITY 1,194,199 1,170,483 1,166,964 1,120,03 Non-current liabilities 20 200,000 200,000 200,000 200,000 200,000 Borrowings 21 4,966 6,580 1 1 0ther payables 23 8,569 12,529 - 2 66,866 68,25 66,866	Share capital	18	738,564	738,564	738,564	738,564	
1,162,322	Treasury shares	18	(1,633)	(583)	(1,633)	(583)	
Non-controlling interests 31,877 31,410 - TOTAL EQUITY 1,194,199 1,170,483 1,166,964 1,120,033 Non-current liabilities Wedium term notes 20 200,000 200,	Reserves	19	425,391	401,092	430,033	382,049	
Non-current liabilities 20 200,000			1,162,322	1,139,073	1,166,964	1,120,030	
Non-current liabilities Medium term notes 20 200,000 200,000 200,000 200,000 Borrowings 21 4,966 6,580 1 Other payables 23 8,569 12,529 - Deferred tax liabilities 15 66,785 68,362 66,866 68,25 Total non-current liabilities 280,320 287,471 266,867 268,25 Current liabilities 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Non-controlling interests		31,877	31,410	-	_	
Medium term notes 20 200,000 200,000 200,000 200,000 Borrowings 21 4,966 6,580 1 Other payables 23 8,569 12,529 - Deferred tax liabilities 15 66,785 68,362 66,866 68,25 Total non-current liabilities 280,320 287,471 266,867 268,25 Current liabilities 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	TOTAL EQUITY		1,194,199	1,170,483	1,166,964	1,120,030	
Borrowings 21 4,966 6,580 1 Other payables 23 8,569 12,529 - Deferred tax liabilities 15 66,785 68,362 66,866 68,25 Total non-current liabilities 280,320 287,471 266,867 268,25 Current liabilities 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Non-current liabilities						
Other payables 23 8,569 12,529 - Deferred tax liabilities 15 66,785 68,362 66,866 68,25 Total non-current liabilities 280,320 287,471 266,867 268,25 Current liabilities 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Medium term notes	20	200,000	200,000	200,000	200,000	
Deferred tax liabilities 15 66,785 68,362 66,866 68,255 Total non-current liabilities 280,320 287,471 266,867 268,257 Current liabilities 23 155,265 169,504 180,498 176,577 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Borrowings	21	4,966	6,580	1	-	
Total non-current liabilities 280,320 287,471 266,867 268,257 Current liabilities 23 155,265 169,504 180,498 176,577 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Other payables	23	8,569	12,529	_	-	
Current liabilities Trade and other payables 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Deferred tax liabilities	15	66,785	68,362	66,866	68,254	
Trade and other payables 23 155,265 169,504 180,498 176,57 Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Total non-current liabilities		280,320	287,471	266,867	268,254	
Borrowings 21 60,749 58,218 1 Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Current liabilities						
Current tax payable 7,566 10,000 6,102 6,38 Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Trade and other payables	23	155,265	169,504	180,498	176,573	
Total current liabilities 223,580 237,722 186,601 182,95 TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Borrowings	21	60,749	58,218	1	-	
TOTAL LIABILITIES 503,900 525,193 453,468 451,20	Current tax payable		7,566	10,000	6,102	6,381	
	Total current liabilities		223,580	237,722	186,601	182,954	
TOTAL EQUITY AND LIABILITIES 1,698,099 1,695,676 1,620,432 1,571,23	TOTAL LIABILITIES		503,900	525,193	453,468	451,208	
	TOTAL EQUITY AND LIABILITIES		1,698,099	1,695,676	1,620,432	1,571,238	

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		(Group	Company		
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	
Revenue	24	1,025,330	1,079,907	748,809	792,640	
Cost of sales and services	25	(405,500)	(454,869)	(254,620)	(266,489)	
0 (1)		040.000	005.000	40.4.400	500 454	
Gross profit		619,830	625,038	494,189	526,151	
Other income		29,592	119,110	47,295	114,911	
Distribution costs		(175,787)	(190,345)	(162,320)	(162,726)	
Administrative and other expenses	0.0	(269,962)	(278,660)	(157,640)	(172,830)	
Finance costs	26	(10,191) 193,482	(10,961) 264,182	(12,020) 209,504	(12,673) 292,833	
		193,402	204,102	209,304	292,000	
Share of profits of an associate		-	218	-	-	
Share of losses of a joint arrangement	12	(896)	(4,752)	-		
Profit before tax	27	192,586	259,648	209,504	292,833	
Tax expense	28	(53,170)	(58,906)	(50,782)	(53,479)	
Profit for the financial year		139,416	200,742	158,722	239,354	
Other comprehensive income Items that may be reclassified subsequently to profit or lo Fair value gains on available-for-sale financial assets	oss	(261)	28	-	-	
Foreign currency translations		1,010	(3,030)	-	-	
Total other comprehensive income, net of tax		749	(3,002)	450 700	- 000 054	
Total comprehensive income		140,165	197,740	158,722	239,354	
Profit attributable to:						
Owners of the parent		142,876	208,099	158,722	239,354	
Non-controlling interests		(3,460)	(7,357)	-		
		139,416	200,742	158,722	239,354	
Total comprehensive income attributable to:						
Owners of the parent		141,502	206,540	158,722	239,354	
Non-controlling interests		(1,337)	(8,800)	, -	-	
		140,165	197,740	158,722	239,354	
Earnings per ordinary share attributable to equity holders of the Company (sen):						
- Basic	29	19.36	28.18			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Attributable to equity holders of the Company									
Group	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	Non- controlling interests RM'000	Total equity RM'000
Balance as at									
1 January 2012	738,564	(225)	233	23,972	854	302,261	1,065,659	40,195	1,105,854
Profit for the financial year	_	-	-	-	_	208,099	208,099	(7,357)	200,742
Fair value gains on available-for-sale									
financial assets	-	-	28	-	-	-	28	-	28
Foreign currency									
translations	-	-	-	(1,611)	24	-	(1,587)	(1,443)	(3,030)
Total comprehensive income	-	-	28	(1,611)	24	208,099	206,540	(8,800)	197,740
Transactions with owners									
Additional non-controlling interests arising on business combinations (Note 31)	_	_	_				_	(191)	(191)
Ordinary share capital contributed by non-controlling interest								, ,	
of a subsidiary Share options granted under ESOS of a	-	-	-	-	-	-	-	300	300
subsidiary (Note 19)	-	-	-	-	162	-	162	90	252
Repurchase of shares	-	(358)	-	-	-	-	(358)	-	(358)
Dividends paid to non- controlling interests of a									
subsidiary	-	-	-	-	-	-	-	(184)	(184)
Dividends (Note 30)	-	-	-	-		(132,930)	(132,930)	-	(132,930)
Total transactions with owners	_	(358)	_	_	162	(132,930)	(133,126)	15	(133,111)
Balance as at 31 December 2012	738,564	(583)	261	22,361	1,040	377,430	1,139,073	31,410	1,170,483

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

	Attributable to equity holders of the Company								
Group	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	Non- controlling interests RM'000	Total equity RM'000
Balance as at									
1 January 2013	738,564	(583)	261	22,361	1,040	377,430	1,139,073	31,410	1,170,483
Profit for the financial year	-	-	-	-	-	142,876	142,876	(3,460)	139,416
Reversal of fair value gains on disposal of available- for-sale financial assets	-	-	(261)	-	-	-	(261)	-	(261)
Foreign currency translations	-		_	(1,245)	132		(1,113)	2,123	1,010
Total comprehensive income	-	-	(261)	(1,245)	132	142,876	141,502	(1,337)	140,165
Transactions with owners									
Acquisition of subsidiaries (Note 31)	-	-	-	-	-	-	-	139	139
Additional investment in a subsidiary	-	-	-	-	-	(6,465)	(6,465)	1,665	(4,800)
Repurchase of shares (Note 18)	-	(1,050)	-	-	-	-	(1,050)	-	(1,050)
Dividends (Note 30)	-		-	-	-	(110,738)	(110,738)	-	(110,738)
Total transactions with owners	-	(1,050)	-	-	-	(117,203)	(118,253)	1,804	(116,449)
Balance as at 31 December 2013	738,564	(1,633)	-	21,116	1,172	403,103	1,162,322	31,877	1,194,199

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 January 2012		738,564	(225)	275,625	1,013,964
Total comprehensive income					
- Profit for the financial year		-	-	239,354	239,354
Repurchase of shares		-	(358)	-	(358)
Dividends	30	-	-	(132,930)	(132,930)
Balance as at 31 December 2012/1 January 2013		738,564	(583)	382,049	1,120,030
Total comprehensive income					
- Profit for the financial year		-	-	158,722	158,722
Repurchase of shares	18	-	(1,050)	-	(1,050)
Dividends	30	-		(110,738)	(110,738)
Balance as at 31 December 2013		738,564	(1,633)	430,033	1,166,964

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		192,586	259,648	209,504	292,833
Adjustments for:					
Impairment losses on:					
- trade receivables	14(h)	1,488	2,384	110	36
- amount owing by subsidiaries	27	-	-	-	816
Reversal of impairment losses on trade receivables	14(h)	(1,296)	(1,519)	(13)	(299)
Amortisation of radio licence	9(b)	4,016	4,015	` -	. ,
Amortisation of television programmes rights	9(c)	4,127	1,830	-	-
Amortisation of internet portal	9(f)	302	, -	-	-
Amortisation of intangible assets	9(d)	1,914	1,978	1,745	1,959
Bad debts written off	27	10	41	, <u>-</u>	-
Depreciation of:					
- investment properties	8	246	246	246	246
- property, plant and equipment	7	43,181	42,587	35,896	35,259
Fair value (gain)/loss on other investments	27	(1,057)	1,410	(1,057)	1,410
Accretion of non-current other receivables	27	(4,200)	(1,050)	(4,200)	(1,050)
Accretion of contingent considerations	27	970	328	(.,,	(1,000)
Impairment losses on:	21	0.0	020		
- goodwill on consolidation	9(a)	_	22,117	_	_
- investment in subsidiaries	10	_		6,941	_
- investment in a joint arrangement	12	1,611	_	2,141	4,752
- other investment	27		5,765	2,141	5,765
- property, plant and equipment	27	54	832	_	5,705
Dividend income	27	-	-	(8,721)	
Interest expenses	26	10,191	10,961	12,020	12,673
Interest income	27	(7,647)	(10,295)	(7,006)	(8,225)
Investment income	27 27	(7,574)	(5,346)	(7,574)	(5,346)
(Gain)/Loss on disposal of:	21	(1,514)	(5,540)	(1,514)	(0,040)
	27			(7,022)	
- investment in a subsidiary	27 27	-	(89,982)	(1,022)	(89,982)
- non-current assets held for sale	21	-	, ,	_	, , ,
- investment in an associate	27	- (2)	816	-	598
intangible assetsavailable-for-sale financial assets		(2)	-	_	-
	27	(143)	(74)	(06)	(01)
Net gain on disposal of property, plant and equipment	27	(19)	(74)	(96)	(81)
Property, plant and equipment written off	27	1,354	1,351	55	657
Share of profits in an associate		-	(218)	-	-
Share options granted under ESOS	07	-	252	- (E 040)	(700)
Unrealised gain on foreign exchange transactions	27	-	4.750	(5,818)	(706)
Share of losses in a joint arrangement		896	4,752	-	-
Operating profit before working capital changes		241,008	252,829	227,151	251,315

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Operating profit before working capital changes (cont'd)		241,008	252,829	227,151	251,315
Changes in working capital:					
Inventories		43,147	(20,832)	43,180	(20,891)
Trade and other receivables		8,376	1,054	(4,136)	16,593
Trade and other payables		(23,921)	34,439	6,912	33,698
Cash generated from operations		268,610	267,490	273,107	280,715
Tax paid		(59,309)	(64,841)	(52,412)	(61,402)
Tax refunded		288	4	-	
Net cash from operating activities		209,589	202,653	220,695	219,313
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		2,213	677	502	339
Proceeds from disposal of computer softwares		19	-	-	-
Proceeds from disposal of investment in a subsidiary		-	-	7,022	-
Proceeds from disposal of available-for-sale financial assets		6,128	-	-	-
Proceeds from disposal of investment in an associate		-	5,969	-	5,969
Purchases of property, plant and equipment	7(b)	(18,569)	(55,760)	(13,438)	(50,336)
Purchases of other investments		(5,451)	(13,836)	(5,451)	(13,836)
Purchases of television programmes rights	9(c)	(3,354)	(4,671)	-	-
Purchases of film rights	9(e)	(1,350)	-	(1,350)	-
Purchases of computer softwares	9(d)	(2,910)	(1,201)	(2,196)	(1,149)
Acquisition of subsidiaries, net of cash acquired	31	(12,296)	(1,491)	(5,000)	(1,491)
Acquisition of business, net of cash acquired	32	-	(27,367)	-	-
Additional investments in a subsidiary		(4,800)	-	-	(2,700)
Acquisition of investment in a associates		(1,400)	-	-	-
Other investment redeemed upon maturity		5,000	5,000	5,000	5,000
Dividend received		-	-	8,721	-
Advances to subsidiaries		-	-	(24,339)	(41,570)
Interest received		7,812	9,402	5,984	7,558
Investment income received		7,754	4,904	7,755	4,903
Net cash used in investing activities		(21,204)	(78,374)	(16,790)	(87,313)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments for hire purchase and finance lease liabilities		(1,841)	(1,177)	-	-
Repayments of bank loan		(22,406)	(35,335)	-	-
Drawdown of bank loan		22,987	36,497	-	-
Repurchase of shares	18	(1,050)	(358)	(1,050)	(358)
Interest paid		(10,495)	(10,632)	(9,275)	(8,106)
Ordinary shares contributed by non-controlling interests of a subsidiary		-	300	_	-
Dividends paid	30	(110,738)	(132,930)	(110,738)	(132,930)
Dividends paid by a subsidiary to non-controlling interests		-	(184)	-	-
Net cash used in financing activities		(123,543)	(143,819)	(121,063)	(141,394)
Net increase/(decrease) in cash and cash equivalents		64,842	(19,540)	82,842	(9,394)
Effects of exchange rate fluctuations on cash and cash equivalents		(432)	(585)	-	-
Cash and cash equivalents as at beginning of financial year		473,558	493,683	336,204	345,598
Cash and cash equivalents as at end of financial year	17(c)	537,968	473,558	419,046	336,204

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

1. CORPORATE INFORMATION

Star Publications (Malaysia) Berhad (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 consolidated financial statements for the financial year ended 31 December 2013 comprise the financial statements of the Company and its subsidiaries (together referred to as "Group") and the Group's interest in associates and a joint arrangement. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 18 March 2014.

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 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 1965 in Malaysia. However, Note 41 to the financial statements has been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs 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 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. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

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 interest of the Group 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 represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other 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.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' 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)

If 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 MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4.3 Business combinations

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:

- (i) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (ii) 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 MFRS 2 Share-based Payment at the acquisition date; and
- (iii) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 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 MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combinations (cont'd)

Non-controlling interests shall be measured initially at either its proportionate share in the recognised amount of the acquiree's identifiable net assets or at their acquisition-date fair values, unless another measurement basis is required by MFRSs. 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.

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 previously held equity interest of the Group 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 4.8(a) to the financial statements. 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.

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 cost will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

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

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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

Long term leasehold land

Plant and machinery

Furniture, fittings and equipment, renovation and motor vehicles

Exhibition services assets

30 years to 50 years
62 years to 888 years
5.56% - 25%
10% - 50%
10%

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents plant under construction 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 4.9 to the financial statements on impairment of non-financial assets).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

4.5 Leases and hire purchase

(a) 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 the 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 incremental borrowing rate of the Group 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.

(b) 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.

(c) 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 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.

Subsequent costs are included in the carrying amount of the investment properties 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 cost would flow to the Group and the cost of the asset could be measured reliably.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investments properties ranges between thirty (30) and fifty (50) years.

At the end of each reporting period, the carrying amount of an item of investment properties 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 4.9 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 investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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.

4.7 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary are included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 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 MFRS 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 amount and to 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

(a) Subsidiaries (cont'd)

Equity loan

Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the Company's investment in the subsidiary and accordingly, is accounted for under MFRS 127 as part of the investment in the subsidiary and measured at cost.

(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 arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

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 share of net assets of the investments of the Group.

The interest in an 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 net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group 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 could also be necessary for changes in the proportionate interest of the Group 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 share of those changes by the Group 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 interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

(b) Associate (cont'd)

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

(i) Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are known as joint operators.

The Group and the Company recognise in relation to its interest in a joint operation:

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

When the Group transacts with a joint operation (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation; as such the gains and losses resulting from the transactions are recognised only to the extent of the interests of other parties in the joint operation.

When the Group transacts with a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Investments (cont'd)

- (c) Joint arrangements (cont'd)
 - (ii) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

- (i) The structure of the joint arrangement;
- (ii) The legal form of joint arrangements structured through a separate vehicle;
- (iii) The contractual terms of the joint arrangement agreement; and
- (iv) Any other facts and circumstances.

When there are changes in the facts and circumstances change, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

4.8 Intangible assets

(a) 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 interest of the Group 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. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. 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 share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Intangible assets (cont'd)

(a) Goodwill (cont'd)

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

(b) 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 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 the 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 the end of each reporting period. 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 the end of each reporting 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 MFRS 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

Radio licences

Radio licences 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 the licences over their estimated useful lives of five (5) years.

Television programmes rights

Television programmes rights 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.

Internet Portal

Internet portal 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 the licences over their estimated useful lives of four (4) years.

Computer software

Computer software of the Group is amortised over its estimated useful life of two (2) years using the straight line method. The computer software is stated at cost less accumulated amortisation and any impairment losses.

Film rights

Film rights are recognised after approvals are obtained from the censorship authority. Cost of film rights comprises contracted cost of production and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the film rights which fairly represents the usage of its relevant attached rights.

The amortisation rates are as follows:

Upon first year from theatrical release70%Upon second year from theatrical release20%Upon third year from theatrical release10%

4.9 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries, associates and a joint arrangement), inventories, assets arising from contract work and deferred tax assets, 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 CGU or groups of CGU of the Group 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 MFRS 8 *Operating Segments*.

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.

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.

4.10 Inventories

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

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 overheads cost.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 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.

4.12 Financial instruments

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

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

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

Financial instruments are recognised on the statement 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

- (a) Financial assets (cont'd)
 - (i) Financial assets at fair value through profit or loss (cont'd)

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

(ii) Held-to-maturity investments

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

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

(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 right of the Group to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments, 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.

(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 (2) 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 at 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Any 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.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as financial liabilities at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

(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. Otherwise, they are charged to profit or loss.

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 the end of each reporting period 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.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition. Subsequently, it shall not be revalued for changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Main Market Listing Requirements.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Impairment of financial assets

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

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

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, 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 are 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)

4.14 Borrowing costs

Borrowing costs of non-qualifying assets are recognised in profit or loss in the period in which they are incurred.

4.15 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary to the Group and Company in the statements of profit or loss and comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group).

(b) 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 future 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 would 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 announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 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 would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would 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 would 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.

4.17 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.

4.18 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees render their services to the Group.

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 and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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.

(b) 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Employee benefits (cont'd)

(c) 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.

(d) Termination benefits

Termination benefits are payments due to employees as a result of the decision of the Group to terminate the employment or an employee's decision to accept an offer of benefits by the Group in exchange for termination of employment. They are recognised as a liability and an expense at the earlier of the following dates:

- (i) when the Group has a detailed formal plan for termination where it can no longer withdraw the offer of those benefits; and
- (ii) when the Group recognises costs for a restructuring and involves the payment of termination benefits.

Subsequent to initial recognition, the Group applies the requirements for post-employment benefits by measuring and recognising subsequent changes in accordance with the nature of the employee benefits. Otherwise:

- (iii) if the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period, the Group applies the requirements for short-term employee benefits.
- (iv) if the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the Group applies the requirements for other long-term employee benefits.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group 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 functional and presentation currency of the Company.

(b) 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. 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.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period 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 each reporting period.

4.20 Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would 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 does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Revenue recognition (cont'd)

(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).

Revenue from events and exhibitions which consists of rental of booth and storage for home and lifestyle exhibitions are recognised based on the occurrence of the events.

(c) Projects

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

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

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

(d) Interest income

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

(e) Dividend income

Dividend income is recognised when the rights 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.

(g) Commission income

Commission income is recognised when the entity acts in the capacity of an agent. Revenue recognised is the net amount of commission made by the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 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 chief operating decision maker of the Group (i.e. the Group 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 per cent (10%) 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 per cent (10%) 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 per cent (10%) 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 per cent (75%) of the revenue of the Group. 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.

4.22 Earnings per share

(a) 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.

(b) Diluted

Diluted 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 adjusted for the effects of dilutive potential ordinary shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 Fair value measurements

The fair value of an asset or a liability, (except for share-based payment and lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the current financial year

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
Amendments to MFRS 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 Measurement	1 January 2013
MFRS 119 Employee Benefits (2011)	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1 Government Loans	1 January 2013
Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRSs Annual Improvements 2009 – 2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 Consolidated Financial Statements,	
Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

There is no material impact upon adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretation during the current financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2014

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company.

Title	Effective Date
Amendments to MFRS 10 Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12 Disclosure of Interest in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127 Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)	1 July 2014
Amendments to MFRSs Annual Improvements 2010 - 2012 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2011 - 2013 Cycle	1 July 2014
Mandatory Effective Date of MFRS 9 and Transition Disclosures	Deferred
MFRS 9 Financial Instruments (2009)	Deferred
MFRS 9 Financial Instruments (2010)	Deferred
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 13	9) Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable in future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

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

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management during the process of applying the accounting policies of the Group 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 MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

(b) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 Leases.

(c) Operating lease commitments - the Group as lessor

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

(d) Contingent liabilities

The determination and treatment of contingent liabilities is based on the expected outcome of the contingencies, after consulting with legal counsel for litigation cases, and with internal and external experts for matters in the ordinary course of business.

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

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

(e) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include clauses which require repayment on demand at the discretion of financial institutions. The Group believes that, in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment periods.

(f) Contingent liabilities on corporate guarantees

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

6.3 Key sources of estimation uncertainty

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

(a) Impairment of goodwill on consolidation

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

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

- (i) 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.
- (ii) Terminal value. The terminal value are computed based on the present value of cash flows in the fifth year without incorporating any growth rate.
- (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.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

(Cont'd)

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

6.3 Key sources of estimation uncertainty (cont'd)

(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 future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(e) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(f) Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of the financial year 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 14 and 23 to the financial statements.

(g) Classification of joint arrangements

For all joint arrangements structured in separate vehicles, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether there are any factors that give the Group rights to the net assets of the joint arrangements (in which case it is classified as a joint venture), or rights to specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). These factors include:

- (i) Structure;
- (ii) Legal form;
- (iii) Contractual agreement; and
- (iv) Other facts and circumstances.

Upon consideration of these factors, the Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures.

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

6.3 Key sources of estimation uncertainty (cont'd)

(h) Significant influence

Significant influence is presumed to exist (not exist) when an entity hold twenty per cent (20%) or more but less than 50% of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds fourteen per cent (14%) and thirteen per cent (13%) interests in Loanstreet Sdn. Bhd. ("Loanstreet") and Geob International Sdn. Bhd. ("Geob") respectively for which the Group has determined that it holds significant influence over the said companies as the Group has a representative on the board of directors of Loanstreet and Geob, who will participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on this, the Group considers that it has the power to exercise significant influence and has treated its interest in Loanstreet and Geob as associates.

(i) 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. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 39 to the financial statements.

(j) Fair value measurement

The fair value measurement of the financial and non-financial assets and liabilities of the Group utilises market observable inputs and data as far as possible, where applicable. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

- (i) Level 1: Quoted prices in active markets for identical items (unadjusted);
- (ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- (iii) Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group engages several professional valuers to perform valuations on various assets as disclosed separately in the respective notes to the financial statements. These valuation reports would be tabled annually to the Audit Committee for approval, where applicable.

The Group measures the financial instruments in the financial statements at fair value.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2013	Freehold land RM'000	Freehold buildings RM'000	Long leasehold land RM'000		Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Exhibition services assets RM'000	Plant and building under construction RM'000	Total RM'000
Cost									
At 1 January	46,447	126,918	4,801	21,877	626,359	149,432	19,201	-	995,035
Additions	-	-	-	-	7,157	9,756	1,638	20	18,571
Acquisition of subsidiaries									
(Note 31(a))	-	-	-	-	-	164	-	-	164
Disposals	-	-	-	-	(11)	(4,855)	(3,237)	-	(8,103)
Write off	-	-	-	-	(86)	(6,810)	(3,042)	-	(9,938)
Reclassification to intangible assets									
(Note 9(d))	-	-	-	-	-	(213)	-	-	(213)
Exchange									
adjustments	-	-	-	-	30	(234)	658	-	454
At 31 December	46,447	126,918	4,801	21,877	633,449	147,240	15,218	20	995,970
Accumulated depreciation At 1 January Charge for the financial year	-	27,281 2,538	1,181 52	4,890 449	289,069 29,368	123,335 8,983	12,251 1,791	-	458,007 43,181
Disposals	-	-	-	-	(3)	(3,776)	(2,130)	-	(5,909)
Write off	-	-	-	-	(86)	(6,307)	(2,191)	-	(8,584)
Exchange						(0.00)			.=-
adjustments	-	-	-	-	28	(329)	474		173
At 31 December	-	29,819	1,233	5,339	318,376	121,906	10,195	-	486,868
Accumulated impairment At 1 January	-	-	-	-	880	-	843	-	1,723
Charge for the financial year	-	-	-	-	48	6	-	-	54
Exchange							20		20
adjustments	-		-		-	-	30		30
At 31 December	-	-	-	-	928	6	873	-	1,807
Carrying amount At 31 December	46,447	97,099	3,568	16,538	314,145	25,328	4,150	20	507,295

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

Group 2012	Freehold land RM'000	Freehold buildings RM'000	Long leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Exhibition services assets RM'000	Total RM'000
Cost		1						
At 1 January	46,447	126,918	4,801	21,876	582,368	146,594	17,963	946,967
Additions	-	-	-,	1	44,499	9,211	2,525	56,236
Acquisition of subsidiaries					,	-,	_,===	,
(Note 31(c))	_	_	_	_	_	309	_	309
Disposals	_	_	_	_	(2)	(2,165)	(615)	(2,782)
Write off	_	_	_	_	(527)	(4,471)	(887)	(5,885)
Exchange					()	(, , , , ,	()	(=,===)
adjustments	-	-	-	-	21	(46)	215	190
At 31 December	46,447	126,918	4,801	21,877	626,359	149,432	19,201	995,035
Accumulated depreciation								
At 1 January	-	24,743	1,129	4,441	261,684	118,491	11,577	422,065
Charge for the								
financial year	-	2,538	52	449	27,896	10,163	1,489	42,587
Disposals	-	-	-	-	(2)	(1,617)	(560)	(2,179)
Write off	-	-	-	-	(527)	(3,634)	(373)	(4,534)
Exchange					18	(68)	118	60
adjustments				4.000		, ,		68
At 31 December	-	27,281	1,181	4,890	289,069	123,335	12,251	458,007
Accumulated impairment								
At 1 January	-	-	-	-	880	-	-	880
Charge for the								
financial year	-	-	-	-	-	-	832	832
Exchange								
adjustments	-	-	-	-	-	-	11	11
At 31 December	-				880		843	1,723
Carrying amount At 31 December	46,447	99,637	3,620	16,987	336,410	26,097	6,107	535,305

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

						Furniture,		
						fittings and		
						equipment,	Plant and	
			Long			renovations	building	
	Freehold	Freehold	leasehold	Leasehold	Plant and	and motor	under	
Company 2013	land RM'000	buildings RM'000	land RM'000	buildings RM'000	machinery RM'000	vehicles RM'000	construction RM'000	Total RM'000
Cost								
At 1 January	46,447	126,918	4,801	21,877	597,751	114,622	-	912,416
Additions	, -	· -	, -	· -	6,639	6,781	20	13,440
Disposals	_	_	_	-	-	(1,172)	_	(1,172)
Transfer to						() ,		() ,
subsidiaries	-	_	-	_	-	(18)	-	(18)
Transfer from								
subsidiary	-	-	-	-	-	7	-	7
Write off	-	-	_	_	(86)	(5,175)	-	(5,261)
At 31 December	46,447	126,918	4,801	21,877	604,304	115,045	20	919,412
Accumulated								
depreciation								
At 1 January	-	27,281	1,181	4,890	271,421	98,289	-	403,062
Charge for the								
financial year	-	2,538	52	449	27,394	5,463	-	35,896
Disposals	-	-	-	-	-	(766)	-	(766)
Transfer to								
subsidiaries	-	-	-	-	-	(15)	-	(15)
Write off	-	-	_	-	(86)	(5,120)	-	(5,206)
At 31 December	_	29,819	1,233	5,339	298,729	97,851	-	432,971
Carrying amount								
At 31 December	46,447	97,099	3,568	16,538	305,575	17,194	20	486,441

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

Company 2012	Freehold land RM'000	Freehold buildings RM'000	Long leasehold land RM'000	Leasehold buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Total RM'000
Cost							
At 1 January	46,447	126,918	4,801	21,876	554,067	113,455	867,564
Additions	-	-	-	1	44,210	6,125	50,336
Disposals	-	-	-	-	-	(1,223)	(1,223)
Transfer to subsidiaries	-	-	-	-	-	(17)	(17)
Transfer from subsidiary	-	-	-	-	-	1	1
Write off	_	_	_		(526)	(3,719)	(4,245)
At 31 December	46,447	126,918	4,801	21,877	597,751	114,622	912,416
Accumulated depreciation							
At 1 January	-	24,743	1,129	4,441	246,060	95,997	372,370
Charge for the financial year	-	2,538	52	449	25,887	6,333	35,259
Disposals	-	-	-	-	-	(965)	(965)
Transfer to subsidiaries	-	-	-	-	-	(14)	(14)
Write off	_	_	_		(526)	(3,062)	(3,588)
At 31 December	-	27,281	1,181	4,890	271,421	98,289	403,062
Carrying amount							
At 31 December	46,447	99,637	3,620	16,987	326,330	16,333	509,354

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

- (a) The titles of freehold buildings of the Group and the Company with carrying amount of RM42,175,000 (2012: RM43,291,000) respectively have yet to be issued by the relevant authorities.
- (b) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Purchase of property, plant and equipment	18,571	56,236	13,440	50,336
Financed by hire purchase and finance lease arrangements	(2)	(476)	(2)	
Cash payments on purchase of property, plant and equipment	18,569	55,760	13,438	50,336

(c) As at 31 December 2013, the carrying amount of the Group's property, plant and equipment under hire purchase or finance lease are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Plant and machinery	8,830	5,735	2	-
Furniture, fittings and equipment, renovations and motor vehicles	677	677	-	<u>-</u>
	9,507	6,412	2	-

Details of the terms and conditions of the hire purchase and finance lease liabilities are disclosed in Note 22 to the financial statements.

(d) 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 Nil (2012: SGD14,494) or equivalent to Nil (2012: RM36,764).

8. INVESTMENT PROPERTIES

	Group an	d Company
	2013 RM'000	2012 RM'000
Cost		
Balance as at 1 January/31December	9,852	9,852
Accumulated depreciation		
Balance as at 1 January	1,603	1,357
Depreciation charge for the financial year	246	246
Balance as at 31 December	1,849	1,603
Carrying amount	8,003	8,249
Fair value	25,820	18,310

The title of a freehold building of the Group and the Company with a carrying amount of RM2,880,000 (2012: RM2,950,000) has yet to be issued by the relevant authority.

The fair value is determined by the Directors based on information obtained from property agencies.

The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	Group an	d Company
	2013	2012
	RM'000	RM'000
Rental income	613	838
Direct operating expenses incurred on:		
- income generating investment properties	103	105
- non-income generating investment properties	4	4

9. INTANGIBLE ASSETS

		Group			npany
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Goodwill on consolidation	а	112,238	102,140	-	-
Radio licences	b	8,366	12,382	-	-
Television programmes rights	С	5,397	5,888	-	-
Computer software	d	3,302	1,845	2,275	1,782
Film rights	е	2,400	-	2,400	-
Internet portal	f	2,115	-	-	
		133,818	122,255	4,675	1,782

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013 (Cont'd)

9. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation

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

		roup
	2013 RM'000	2012 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 (Singapore subsidiaries) - CGU 4	50,064	50,064
- Television channel - CGU 5	24,355	24,355
- Chinese mass media - CGU 6	2,467	-
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	-
	148,898	103,560
Acquisition of a subsidiary		
- Chinese mass media - CGU 6 (Note 31)	-	2,467
- Exhibition services (Singapore subsidiaries) - CGU 4 (Note 31(b))	119	_
- Exhibition services (Malaysia subsidiary) - CGU 7 (Note 32)	-	42,871
- Online portal - CGU 8 (Note 31)	9,833	_
	9,952	45,338
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 (Singapore subsidiaries) - CGU 4	50,183	50,064
- Television channel - CGU 5	24,355	24,355
- Chinese mass media - CGU 6	2,467	2,467
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	-
	158,850	148,898
Exchange differences	2,348	2,180
	161,198	151,078

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):

	G	roup
	2013 RM'000	2012 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 (Singapore subsidiaries) - CGU 4	30,280	20,103
- Television channel - CGU 5	11,940	-
	48,707	26,590
Impairment losses recognised during the year		
- Exhibition services (Singapore subsidiaries) - CGU 4	-	10,177
- Television channel - CGU 5	-	11,940
	-	22,117
Balance as at 31 December		
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	1,300	1,300
- Exhibition services (Singapore subsidiaries) - CGU 4	30,280	30,280
- Television channel - CGU 5	11,940	11,940
	48,707	48,707
Exchange differences	253	231
	48,960	48,938
Carrying amount	112,238	102,140
Carrying amount as at 31 December represents		
- Radio broadcasting - CGU 1	21,932	21,932
- Human capital resources - CGU 3	722	722
- Exhibition services (Singapore subsidiaries) - CGU 4	19,903	19,784
- Television channel - CGU 5	12,415	12,415
- Chinese mass media - CGU 6	2,467	2,467
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	-
Exchange differences	2,095	1,949
	112,238	102,140

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 rates ranging from 12% to 13% 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 7.20% 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. 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 fiveyear period. Revenue is projected to grow at rates ranging from 11% to 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) Pre-tax discount rate of 7.20% 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 fiveyear period. Revenue is projected to grow at 10% 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 1.90% was applied in determining the recoverable amount of CGU 4. The discount rate was estimated based on the subsidiary'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 further 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 26% 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 7.20% 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.

9. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (cont'd)

Impairment test on CGU 6

The recoverable amount of CGU 6 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 6 as the recoverable amount of CGU 6 was determined to be higher than its carrying amount as at the end of the reporting period.

Value-in-use of CGU 6 was determined by discounting the future cash flows generated from the continuing use of CGU 6 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 fiveyear period. Revenue is projected to grow at 10% 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 7.20% was applied in determining the recoverable amount of CGU 6. The discount rate was estimated based on the Group's weighted average cost of capital.

Impairment test on CGU 7

The recoverable amount of CGU 7 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 7 as the recoverable amount of CGU 7 was determined to be higher than its carrying amount as at the end of the reporting period.

Value-in-use of CGU 7 was determined by discounting the future cash flows generated from the continuing use of CGU 7 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 have a flat growth over the next five years 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 7.20% was applied in determining the recoverable amount of CGU 7. 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 8

The recoverable amount of CGU 8 was determined from value-in-use calculation. Based on the calculation, there was no impairment loss allocated to CGU 8 as the recoverable amount of CGU 8 was determined to be higher than its carrying amount as at the end of the reporting period.

Value-in-use of CGU 8 was determined by discounting the future cash flows generated from the continuing use of CGU 8 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 fiveyear period. Revenue is projected to grow at 28% 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 7.20% was applied in determining the recoverable amount of CGU 8. 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, 5, 6, 7 and 8, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

(b) Radio licences

	Group		
	2013 RM'000	2012 RM'000	
Cost			
Balance as at 1 January / 31 December	25,192	25,192	
Accumulated amortisation			
Balance as at 1 January	12,810	8,795	
Charge for the financial year	4,016	4,015	
Balance as at 31 December	16,826	12,810	
Carrying amount	8,366	12,382	

9. INTANGIBLE ASSETS (CONT'D)

(c) Television programmes rights

	Group		
	2013 RM'000	2012 RM'000	
Cost			
Balance as at 1 January	8,208	3,537	
Additions	3,354	4,671	
Exchange differences	622	25	
Balance as at 31 December	12,184	8,233	
Accumulated amortisation			
Balance as at 1 January	2,377	547	
Charge for the financial year	4,127	1,830	
Exchange differences	283	(32)	
Balance as at 31 December	6,787	2,345	
Carrying amount	5,397	5,888	

(d) Computer software

	Gı	roup	Company		
	2013	2012	2013	2012	
	RM'000	RM'000	RM'000	RM'000	
Cost					
Balance as at 1 January	8,171	6,970	8,064	6,915	
Additions during the financial year	2,910	1,201	2,196	1,149	
Transfer from subsidiaries	-	-	42	-	
Reclassification from property, plant and equipment (Note 7)	213	-	-	-	
Acquisition of a subsidiary (Note 31 (a))	266	-	-	-	
Disposals	(36)	-	-	-	
Exchange differences	-	-	-	-	
Balance as at 31 December	11,524	8,171	10,302	8,064	
Accumulated amortisation					
Balance as at 1 January	6,326	4,348	6,282	4,323	
Amortisation charge for the financial year	1,914	1,978	1,745	1,959	
Disposals	(19)	-	-	-	
Exchange differences	1	-	-	-	
Balance as at 31 December	8,222	6,326	8,027	6,282	
Carrying amount	3,302	1,845	2,275	1,782	

9. INTANGIBLE ASSETS (CONT'D)

(e) Film rights

(f)

	Group and Company 2013 RM'000
Cost	
Balance as at 1 January	-
Reclassification	1,050
Additions	1,350
Balance as at 31 December	2,400
Accumulated impairment	
Balance as at 1 January / 31 December	-
Carrying amount	2,400
	Group 2013 RM'000
Cost	
Balance as at 1 January	-
Acquisition of a subsidiary (Note 31(a))	2,417
Balance as at 31 December	2,417
Accumulated amortisation	
Balance as at 1 January	-
Charge for the financial year	302
Balance as at 31 December	302
Carrying amount	2,115

10. INVESTMENTS IN SUBSIDIARIES

	Cor	mpany
	2013 RM'000	2012 RM'000
Unquoted shares - at cost	184,180	193,358
Less: Accumulated impairment losses	(9,348)	(16,585)
	174,832	176,773
Equity loans	91,871	
	266,703	176,773

During the financial year, the Directors of the Company have reassessed the nature of the amount owing by subsidiaries and determined that a portion of the outstanding balance amounting to RM91,871,000 (2012: RM Nil) shall constitute an equity loan to the subsidiaries, which are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the Company's net investment in providing the subsidiaries with a long term source of additional capital.

(a) The subsidiaries are as follows:

		Int	erest in e	quity held	l by		
	Country of Co		Company		idiary		
Name of Company	incorporation	2013	2012	2013	2012	Principal activities	
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 Media Radio Group Sdn. Bhd. (f.k.a. Star Commercial Publications Sdn. Bhd.)	Malaysia	100%	100%	-	-	Investment holding	
Asian Center For Media Studies Sdn. Bhd.	Malaysia	100%	100%	-	-	Provision of educational research	
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%	80%	-	-	Operating a wireless radio broadcasting station	

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Country of	-			l by idiary	
Name of Company	incorporation	2013	2012	2013	2012	Principal activities
Li TV Holdings Limited.(1)	Hong Kong	51%	51%	-	-	Investment holding
Red Tomato Media Sdn. Bhd.*	Malaysia	84%	84%	-	-	Trading of publication and mass media and other related activities
I.Star Ideas Factory Sdn. Bhd.	Malaysia	90%	90%	-	-	Home & lifestyle exhibition including rental of booth and storage
Eighth Power Sdn. Bhd.#	Malaysia	100%	-	-	-	Invest in high growth technology based start-ups
Magnet Bizz Sdn. Bhd.# (f.k.a. Star Print Sdn. Bhd.)	Malaysia	100%	-	-	-	Publishers of magazines and books
I.Star Events Sdn. Bhd.#	Malaysia	100%	-	-	-	Inactive
Venus Agency Sdn. Bhd.#	Malaysia	100%	-	-	-	Inactive
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
MyStarJob Network Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising
Ocision Sdn. Bhd.*	Malaysia	-	-	90%	-	Designing and developing software applications and platforms and providing interactive marketing services
Subsidiaries of Ocision Sdn. Bhd.						
iBilik Sdn. Bhd.*	Malaysia	-	-	100%	-	E-commerce activities/ online portal
Propwall Sdn. Bhd.*	Malaysia	-	-	100%	-	Online property portal
Carsifu Sdn. Bhd.*	Malaysia	-	-	100%	-	Online car portal
Ocision Pte. Ltd.*	Singapore	-	-	100%	-	Developing and provision of e-commerce activities and services

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Country of Company Subsidia					
Name of Company	incorporation	2013	2012	2013	2012	Principal activities
Subsidiaries of I.Star Sdn. Bhd.						
Star Online Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Subsidiary of Star Media Radio Group Sdn. Bhd.						
Star Rfm Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station
Rimakmur Sdn. Bhd.	Malaysia	-	70%	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%	100%	Produce, develop, distribute, market ar 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

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		l by				
Name of Company	Country of incorporation	Com 2013	pany 2012	Subs 2013	idiary 2012	Principal activities
Subsidiary of Laviani Pte. Ltd.	•		1	1		<u> </u>
Cityneon Holdings Limited.(1)	Singapore	-	-	64%	64%	Investment holding
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

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31 DECEMBER 2013 (Cont'd)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		by				
Name of Company	Country of incorporation	Com 2013	pany 2012	Subs 2013	idiary 2012	Principal activities
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon (Middle East) W.L.L. ⁽²⁾	Bahrain	-	-	100%	100%	Provision of exhibition services including rental of reusable modules and furnishings, custom- built pavilions and roadshows
Cityneon Creations Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of design and build services for custom-built exhibition pavilions and roadshows
Cityneon Exhibition Services (Vietnam) Co. Ltd. ⁽¹⁾	Vietnam	-	-	100%	100%	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 Ltd.(1)	Vietnam	-	-	100%	100%	Provision of project management services (other than for construction) and to engage in the installation, assembly, building completion and finishing works

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Interest in equity held by Country of Company Subsidiary					
Name of Company	Country of incorporation	2013	pany 2012	2013	idiary 2012	Principal activities
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Shelter Events (Shenzhen) Pte. Ltd.(1)	China			100%	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
Interbuild Construction Company Sdn. Bhd.#	Brunei	-	-	90%	-	Provision of general, civil engineering and building contractors
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

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31 DECEMBER 2013 (Cont'd)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Interest in equity held by Company Subsidiary 2013 2012 2013 2012			Principal activities	
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	d.					
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%	100%	Agent for distribution of television channel and films and sale of television channel airtime
Li TV Asia Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of technical operation and broadcasting support for high definition television channel
Li TV International Limited ⁽¹⁾	Hong Kong	-	-	100%	100%	

⁽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 31.

The effects of these acquisition are immaterial to the Group.

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) On 8 February 2013, the Group acquired 90% equity interest in Interbuild Construction Company Sdn. Bhd. ("Interbuild"), a company incorporated in Brunei Darussalam through its subsidiary, Cityneon Holdings Limited.

On 5 July 2013, the Company transferred its entire equity interest of 7,022,400 ordinary shares of RM1.00 each in Rimakmur Sdn. Bhd. ("Rimakmur"), a wholly-owned subsidiary to another wholly owned subsidiary, Star Media Radio Group Sdn. Bhd. ("Star Media Radio Group"), for a total consideration of RM7,022,000. Consequently, Rimakmur became a direct wholly-owned subsidiary of Star Media Radio Group.

On 20 June 2012, the Company acquired the entire issued and paid-up ordinary shares of I.Star Ideas Factory Sdn. Bhd. ("I.Star Ideas Factory") from I.Star Sdn. Bhd., a wholly-owned subsidiary of Star Media Works Sdn. Bhd. for a total cash consideration of RM2.00. Consequently, I.Star Ideas Factory became a direct wholly owned subsidiary of the Company.

Subsequently, on 21 September 2012, I.Star Ideas Factory increased its issued and paid up share capital from RM2 to RM3,000,000 by way of issuance of 2,999,998 new ordinary shares of RM1.00 each. Out of the new issuance of shares, 2,699,997 ordinary shares were subscribed by the Company, 1 ordinary share was subscribed by the Company's whollyowned subsidiary, Star Media Radio Group Sdn. Bhd. (formerly known as Star Commercial Publications Sdn. Bhd.) and the remaining 300,000 ordinary shares were subscribed by a minority shareholder.

- (c) Impairment losses on investments in subsidiaries amounting to RM3,969,000 and RM2,972,000 were in relation to Li TV Holding Limited ("Li TV") and Excel Corporation (Australia) Pty. Ltd. ("Excel") have been recognised during the financial year due to declining business operations. The recoverable amount for Li TV was determined based on a value-in-use calculation using cash flow projections based on financial budgets prepared by the management covering a 5 year period. The discount rate applied to the cash flow projections was 7.20% based on the weighted average cost of capital of the subsidiary. The recoverable amount for Excel was based on fair value less cost to sell.
- (d) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Cityneon			Other individual	
	Holding	Li TV Holding	Leaderonomics	immaterial	
	Limited	Limited	Sdn. Bhd.	subsidiaries	Total
2013					
NCI percentage of ownership					
interest and voting interest	35.92%	49.00%	49.00%		
Carrying amount of NCI (RM'000)	21,887	3,919	3,545	2,526	31,877
Profit allocated to NCI (RM'000)	601	(3,113)	781	(1,729)	(3,460)
2012					
NCI percentage of ownership					
interest and voting interest	35.92%	49.00%	49.00%		
Carrying amount of NCI (RM'000)	20,444	6,555	2,763	1,648	31,410
Profit allocated to NCI (RM'000)	(4,456)	(2,887)	490	(504)	(7,357)

11. INVESTMENT IN ASSOCIATES

Group 2013 RM'000

Unquoted equity shares, at cost

2,950

(a) The details of the associates are as follows:

Name of Company	Country of incorporation	Interest in held by su 2013		Principal activities
Voxy Labs Sdn. Bhd. ⁽¹⁾	Malaysia	33%	-	Advisors, consultants and development for information technology related activities
Loanstreet Sdn. Bhd. ⁽¹⁾	Malaysia	14%	-	Agents to undertake and perform sub-contracts
H&H Connection Sdn. Bhd. ⁽¹⁾	Malaysia	22%	-	Online retailer
Geob International Sdn. Bhd. ⁽¹⁾	Malaysia	13%	-	Distributors or dealers of medical products, electronic devices and engineering specialities

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

(b) The Group holds fourteen per cent (14%) and thirteen per cent (13%) interests in Loanstreet Sdn. Bhd. ("Loanstreet") and Geob International Sdn. Bhd. ("Geob") respectively for which the Group has determined that it holds significant influence over the said companies as the Group has a representative on the board of directors of Loanstreet and Geob, who will participate and influence in policy-making processes, including participation in decisions about dividends or other distributions.

Accordingly, the Group considers that it has the power to exercise significant influence and has treated its investment in Loanstreet and Geob as associates.

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(Cont'd)

11. INVESTMENT IN ASSOCIATES (Cont'd)

(c) The summarised financial information of the associates are as follows:

Group
2013
RM'000
50
1,499
1,549
323
323

12. INVESTMENT IN A JOINT ARRANGEMENT

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted equity shares, at cost	20,006	20,006	20,006	20,006
Accumulated impairment losses	(1,675)	(64)	(19,497)	(17,356)
Share of post acquisition reserves, net of dividends received	(18,188)	(17,292)	-	-
	143	2,650	509	2,650

(i) The detail of the joint venture is as follows:

	Country of		in equity Company	
Name of Company	incorporation	2013	2012	Principal activity
701Panduan Sdn. Bhd. ⁽¹⁾	Malaysia	50%	50%	Provide directory services through internet, mobile and other platforms

 $^{\,^{\}scriptscriptstyle{(1)}}\,$ Not audited by BDO or member firms of BDO International.

12. INVESTMENT IN A JOINT ARRANGEMENT (CONT'D)

- (ii) 701Panduan Sdn. Bhd., the only joint venture in which the Group participates, is an unlisted separate structured entity. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with 701Panduan Sdn. Bhd.. This joint arrangement has been classified as a joint venture and has been included in the consolidated financial statements using the equity method.
- (iii) On 30 January 2013, the said joint venture has been placed under Members' Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act 1965.
- (iv) The summarised financial information of the joint venture, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	2013 RM'000	2012 RM'000
Assets and liabilities		
Current assets	4,727	4,915
Non-current assets	-	1,309
Total assets	4,727	6,224
Current liabilities	1,219	924
Total liabilities	1,219	924
Results		
Revenue	96	1,236
Expenses, including finance costs and tax expense	(1,888)	(10,740)

13. OTHER INVESTMENTS

	G	roup	Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Financial assets at fair value through profit or loss				
Within Malaysia				
- Quoted investment funds	40,042	35,226	40,042	35,226
- Quoted equity investment	4,114	2,422	4,114	2,422
	44,156	37,648	44,156	37,648
Outside Malaysia				
- Unquoted equity investment	1,531	1,531	1,531	1,531
	45,687	39,179	45,687	39,179
Available-for-sale financial assets				
- Quoted bond (outside Malaysia)		6,772	-	-
Financial assets held to maturity				
4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	_	5,000	-	5,000
- 5.50% p.a. Malaysian quoted investment funds due on 27 February 2015	5,000	5,000	5,000	5,000
- 5.50% p.a. Malaysian quoted investment funds due on 7 June 2015	_	5,000	_	5,000
7 Suito Zo Fo	5,000	15,000	5,000	15,000
Total non-current other investments	50,687	60,951	50,687	54,179
Current				
Financial assets held to maturity				
- 4.38% p.a. Malaysian quoted investment funds due on				
14 November 2014	5,000	-	5,000	-
Total current other investment	5,000	_	5,000	
Total other investments	55,687	60,951	55,687	54,179

⁽i) Information on the fair value hierarchy is disclosed in Note 38(e) to the financial statements.

14. TRADE AND OTHER RECEIVABLES

		G	roup	Cor	npany
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Other receivable	а	130,554	122,950	127,150	122,950
Current	_				
Trade					
Third parties	b	140,070	178,120	85,149	95,776
Subsidiaries		-	-	316	266
Amount due from contract customers	С	17,703	14,312	-	-
	g	157,773	192,432	85,465	96,042
Less: Impairment losses					
- Third parties	d, h	(2,916)	(10,918)	(498)	(8,217)
		154,857	181,514	84,967	87,825
Non-trade					
Third parties		28,258	8,470	5,273	622
Amounts owing by subsidiaries	е	-	-	78,415	144,935
		28,258	8,470	83,688	145,557
Less: Impairment losses					
- Third parties		(52)	(52)	-	-
- Subsidiaries		-	-	(42,866)	(42,866)
		28,206	8,418	40,822	102,691
Sundry deposits and other receivables		6,498	5,022	1,918	2,074
Prepayments		12,156	13,757	8,055	6,871
		46,860	27,197	50,795	111,636
		201,717	208,711	135,762	199,461
	f	332,271	331,661	262,912	322,411

⁽a) This represents the net present value of a receivable arising from the disposal of a parcel of land in prior years which will be settled in kind by year of 2015.

⁽b) The credit terms of trade receivables range from payment in advance to credit period of 90 days (2012: 90 days). Trade receivables are recognised at their original invoice amount which represents their fair values on initial recognition.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Amounts due from/(to) customers for contract works

	Group	
	2013 RM'000	2012 RM'000
Aggregate costs incurred to date	194,741	185,964
Add: Attributable profits	44,626	30,873
	239,367	216,837
Less: Progress billings	(226,960)	(207,705)
	12,407	9,132
Represented by:		
Amount due from customers for contract works	17,703	14,312
Amount due to customers for contract works (Note 23)	(5,296)	(5,180)
	12,407	9,132

As at 31 December 2013, retention monies held by customers for contract works amounted to RM6,098,000 (2012: RM5,519,000).

- (d) The impairment losses on trade receivables of the Group and the Company is net of bad debts written off amounting to RM8,225,000 (2012: RM2,902,000) and RM7,816,000 (2012: RM Nil) respectively.
- (e) 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 RM17,070,000 (2012: RM44,418,000) which is subject to interest at a rate of 3.55% per annum.
- (f) Information on financial risks of trade and other receivables are disclosed in Note 39 to the financial statements.
- (g) The ageing analysis of trade receivables of the Group and of the Company are as follows:

	G	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	
Neither past due nor impaired	125,095	145,698	80,645	82,811	
Past due, not impaired					
> 90 days	8,900	16,437	2,908	2,289	
> 120 days	1,928	3,774	763	1,585	
> 180 days	1,231	1,293	651	1,140	
	12,059	21,504	4,322	5,014	
Past due and impaired	2,916	10,918	498	8,217	
	140,070	178,120	85,465	96,042	

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Based on past experience, the Group is satisfied that no impairment is necessary in respect of these trade receivables. These trade receivables are substantially from companies with good collection track record and no recent history of default. These trade receivables are unsecured in nature.

Receivables that are past due and impaired

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

		Group Individually impaired		npany y impaired
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables, gross	2,916	10,918	498	8,217
Less: Impairment losses on trade receivables	(2,916)	(10,918)	(498)	(8,217)
	<u>-</u>	_	_	_

(h) The reconciliation of movement in the impairment losses on trade receivables are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 January	10,918	12,979	8,217	8,480
Charge for the financial year (Note 27)	1,488	2,384	110	36
Write off	(8,225)	(2,902)	(7,816)	-
Reversal of impairment losses on trade receivables (Note 27)	(1,296)	(1,519)	(13)	(299)
Exchange differences	31	(24)	-	_
At 31 December	2,916	10,918	498	8,217

14. TRADE AND OTHER RECEIVABLES (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.
- (j) The currency exposure profile of trade and other receivables are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	238,219	235,334	236,836	289,553
Singapore Dollar	14,135	22,455	17,761	25,728
Australian Dollar	1	147	-	-
United States Dollar	11,452	14,248	252	252
Euro	58	67	-	-
Pound Sterling	4	4	7	7
Bahrain Dinar	26,925	9,289	-	-
Omani Rial	6,883	5,571	-	-
Chinese Renminbi	2,316	683	1	-
Vietnam Dong	372	200	-	-
Qatari Riyal	264	15,573	-	-
Others	1,783	21	-	
	302,412	303,592	254,857	315,540

15. DEFERRED TAX

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Balance as at 1 January	67,777	72,510	68,254	71,028
Recognised in profit or loss (Note 28)	(3,366)	(4,744)	(1,388)	(2,774)
Recognised in other comprehensive income	-	12	-	-
Exchange differences	(1)	(1)	-	
Balance as at 31 December	64,410	67,777	66,866	68,254
Presented after appropriate offsetting:				
Deferred tax assets, net	(2,376)	(585)	-	-
Deferred tax liabilities, net	66,785	68,362	66,866	68,254
	64,409	67,777	66,866	68,254

15. DEFERRED TAX (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2013	81,049	170	(12,857)	68,362
Recognised in profit or loss	(4,725)	(150)	3,301	(1,574)
Exchange differences	3	(6)	-	(3)
At 31 December 2013	76,327	14	(9,556)	66,785
At 1 January 2012	83,166	1,240	(11,836)	72,570
Recognised in profit or loss	(2,110)	(1,087)	(1,021)	(4,218)
Recognised in other comprehensive income	-	12	-	12
Exchange differences	(7)	5	-	(2)
At 31 December 2012	81,049	170	(12,857)	68,362

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 2013	-	(11,373)	(2,069)	12,857	(585)
Recognised in profit or loss	(2,929)	1,626	2,812	(3,301)	(1,792)
Exchange differences	-	-	1	-	1
At 31 December 2013	(2,929)	(9,747)	744	9,556	(2,376)
At 1 January 2012	-	(9,302)	(2,594)	11,836	(60)
Recognised in profit or loss	-	(2,071)	524	1,021	(526)
Exchange differences	<u> </u>	-	1	-	1
At 31 December 2012	-	(11,373)	(2,069)	12,857	(585)

15. DEFERRED TAX (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (cont'd):

Deferred tax of the Company

	Property, plant and equipment RM'000	Accrual for staff costs RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2013	80,173	(10,740)	(1,179)	68,254
Recognised in profit or loss	(5,228)	1,886	1,954	(1,388)
At 31 December 2013	74,945	(8,854)	775	66,866
At 1 January 2012	81,584	(8,820)	(1,736)	71,028
Recognised in profit or loss	(1,411)	(1,920)	557	(2,774)
At 31 December 2012	80,173	(10,740)	(1,179)	68,254

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

	G	roup
	2013 RM'000	2012 RM'000
Other temporary differences	6,651	-
Unabsorbed capital allowances	4,811	10,156
Unused tax losses		
- No expiry date	47,646	45,147
- Expires by 31 December 2013	-	121
- Expires by 31 December 2014	-	467
- Expires by 31 December 2016	241	249
- Expires by 31 December 2017	1,685	1,525
- Expires by 31 December 2018	34	-
	61,068	57,665

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.

16. INVENTORIES

	G	Group		mpany
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At cost				
Newsprint	117,136	159,608	116,431	159,607
Other raw materials and consumables	25	677	25	29
	117,161	160,285	116,456	159,636

Cost of inventories of the Group and of the Company recognised as an expense during the financial year amounted to RM88,145,000 (2012: RM138,112,000) and RM84,946,000 (2012: RM134,721,000).

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits placed with licensed banks	428,329	363,569	387,402	296,811
Cash and bank balances	109,788	110,166	31,644	39,393
	538,117	473,735	419,046	336,204

- (a) Deposits of the Group and of the Company have a range of maturity of 5 days to 365 days (2012: 5 days to 365 days).
- (b) Information on financial risks of cash and cash equivalents are disclosed in Note 39 to the financial statements.
- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits placed with licensed banks	428,329	363,569	387,402	296,811
Cash and bank balances	109,788	110,166	31,644	39,393
Bank overdrafts included in borrowings (Note 21)	(149)	(177)	-	-
	537,968	473,558	419,046	336,204

17. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	488,236	398,384	418,084	336,146
Singapore Dollar	24,811	25,281	928	-
Australian Dollar	765	31,312	-	-
United States Dollar	2,166	13,684	22	48
Pound Sterling	5	5	5	5
Euro	-	91	-	-
Bahrain Dinar	17,931	2,898	-	-
Chinese Renminbi	3,373	124	7	5
Brunei Dollar	-	1,474	-	-
Others	830	482	-	
	538,117	473,735	419,046	336,204

18. SHARE CAPITAL AND TREASURY SHARES

	Company			
	2	013	2	012
	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.

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

The details of the treasury shares are as follows:

Year	Number of shares re-purchased RM'000	Total consideration paid RM'000	Transaction costs RM'000	Average price per share RM
2009	70	225	1	3.18
2012	125	358	2	2.86
2013	412	1,050	5	2.54
	607	1,633	8	2.69

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 2013, there are 607,200 ordinary shares of RM1.00 each with a cumulative total consideration amounting to RM1,633,957 held as treasury shares by the Company. The number of outstanding shares in issue after the Share Buy-Back is 737,956,402 ordinary shares of RM1.00 each as at 31 December 2013.

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.

19. RESERVES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-distributable				
Share option reserve	1,172	1,040	-	-
Foreign exchange translation reserve	21,116	22,361	-	-
Available-for-sale reserve	-	261	-	-
	22,288	23,662	-	-
Distributable				
Retained earnings	403,103	377,430	430,033	382,049
	425,391	401,092	430,033	382,049

(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 the grant date of share options.

19. RESERVES (CONT'D)

(c) 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.

20. MEDIUM TERM NOTES

In 2011, the Company issued two (2) RM100 million nominal value of Medium Term Notes ("MTN"), with fixed interest rates of 4.5% and 4.8% per annum respectively. These MTN are unsecured and have a tenure of five (5) years and seven (7) years respectively. The maturity dates for the MTN are 11 May 2016 and 11 May 2018 respectively.

Information on financial risks of Medium Term Notes is disclosed in Note 39 to the financial statements.

The Medium Term Notes are denominated in Ringgit Malaysia.

21. BORROWINGS

		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current					
Hire purchase and finance lease liabilities	22	4,966	6,580	1	-
Current					
Bank overdraft	17(c)	149	177	-	-
Bank loans (secured)		59,507	56,885	-	-
Hire purchase and finance lease liabilities	22	1,093	1,156	1	-
		60,749	58,218	1	-
Total Borrowings					
Bank overdraft	17(c)	149	177	-	-
Bank loans (secured)		59,507	56,885	-	-
Hire purchase and finance lease liabilities	22	6,059	7,736	2	_
		65,715	64,798	2	-

21. BORROWINGS (CONT'D)

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

	Year of maturity	Carrying amount RM'000	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000
Group 2013						
Bank overdraft	2014	149	149	-	-	-
Bank loans (secured)	2014	59,507	59,507	-	-	-
Hire purchase and finance lease liabilities	2021	6,059	1,093	1,161	3,393	412
		65,715	60,749	1,161	3,393	412
Company 2013 Hire purchase and finance lease liabilities	2015	2	1	1	-	<u>-</u>
Group 2012						
Bank overdraft	2013	177	177	-	-	-
Bank loans (secured)	2013	56,885	55,194	1,691	-	-
Hire purchase and finance lease liabilities	2019	7,736	1,156	1,227	4,022	1,331
		64,798	56,527	2,918	4,022	1,331

⁽b) Included in the bank loans of the Group is long term bank loan amounting to RM1,752,000 (2012: RM4,228,000) 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		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	6,029	6,910	2	-
Singapore Dollar	59,686	57,888	=	
	65,715	64,798	2	-

21. BORROWINGS (CONT'D)

(d) One of the secured bank loans of RM36,785,000 (2012: RM35,511,000) 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 RM22,722,000 (2012: RM21,374,000) of the Group are guaranteed by its subsidiaries.

(e) Information on financial risks of borrowings are disclosed in Note 39 to the financial statements.

22. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum lease payments:				
- not later than one (1) year				
- Hire purchase	160	317	1	-
- Finance leases	1,290	1,290	-	-
	1,450	1,607	1	-
- later than one (1) year but not later than five (5) years				
- Hire purchase	382	1,131	1	-
- Finance leases	4,870	5,161	-	-
	5,252	6,292	1	-
- later than five (5) years				
- Hire purchase	45	22	-	-
- Finance leases	376	1,376	-	-
	421	1,398	-	-
Total minimum lease payments	7,123	9,297	2	-
Less: Future interest charges				
- Hire purchase	(58)	(162)	-	-
- Finance leases	(1,006)	(1,399)	-	-
	(1,064)	(1,561)	-	-
Present value of minimum lease payment	6,059	7,736	2	-
· ·				
Present value of minimum lease payments is represented by:				
- Hire purchase	529	1,308	2	-
- Finance leases	5,530	6,428	-	-
	6,059	7,736	2	-

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Repayable as follows:				
Current liabilities				
- not later than one (1) year				
- Hire purchase	137	259	1	-
- Finance leases	956	897	-	-
Total current liabilities	1,093	1,156	1	-
Non-current liabilities				
- later than one (1) year but not later than five (5) years				
- Hire purchase	349	1,027	1	-
- Finance leases	4,205	4,222	-	-
	4,554	5,249	1	-
- later than five (5) years				
- Hire purchase	43	22	-	-
- Finance leases	369	1,309	-	-
	412	1,331	=	-
Total non-current liabilities	4,966	6,580	1	-
	6,059	7,736	2	-

The remaining 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.

Information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 39 to the financial statements.

23. TRADE AND OTHER PAYABLES

	G	roup	Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Contingent consideration for business combination	8,569	12,529	-	-
Current				
Trade payables				
Third parties	18,136	23,884	1,517	3,898
Subsidiaries	-	-	4,321	4,130
Amount due to contract customers (Note 14(c))	5,296	5,180	-	-
	23,432	29,064	5,838	8,028
Other payables				
Amounts owing to subsidiaries	-	-	80,704	59,505
Contingent consideration for business combination	4,930	1,870	-	-
Other payables	21,610	33,349	12,037	25,937
Deposits from agents, subscribers and customers	22,350	19,841	21,193	15,051
Accruals	77,738	81,411	57,128	65,329
Provision	5,205	3,969	3,598	2,723
	131,833	140,440	174,660	168,545
	155,265	169,504	180,498	176,573
	163,834	182,033	180,498	176,573

- (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 (2012: 1 to 4 months).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for RM76,839,000 (2012: RM54,917,000) which subject to interest at a rate of 5.55% per annum (2012: 6.53% per annum).
- (c) Included in other payables of the Group are amounts owing to Directors of certain subsidiaries amounting to RM758,000 (2012: RM504,000).
- (d) Information on financial risks of trade and other payables are disclosed in Note 39 to the financial statements.
- (e) Included in the accruals of the Group and the Company are payroll related accruals amounting to RM51,507,000 (2012: RM57,069,000) and RM43,295,000 (2012: RM49,385,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

(Cont'd)

23. TRADE AND OTHER PAYABLES (CONT'D)

(f) As part of the purchase agreement with the previous owner of CNM Events Marketing Sdn. Bhd. ("CNM Events Marketing"), a contingent consideration has been agreed. This consideration is dependent on the profit before tax of I.Star Ideas Factory Sdn. Bhd. for the financial year 2012 to 2015. The detailed information on the acquisition of business and assets of CNM Events Marketing is disclosed in Note 32 to the financial statements.

The contingent considerations for the business combination is as follows:

	2013 RM'000	2012 RM'000
At 1 January/date of acquisition	14,399	14,071
Accretion (Note 27)	970	328
Payment	(1,870)	
At 31 December	13,499	14,399
Repayable as follows:		
Current liabilities		
- not later than one (1) year	4,930	1,870
Non-current liabilities		
- later than one (1) year	8,569	12,529
	13,499	14,399

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	49,587	55,770	35,520	46,973
Singapore Dollar	11,035	15,721	944	869
Australian Dollar	9	2	77,662	48,852
United States Dollar	3,542	5,437	80	250
Pound Sterling	7,065	12,382	5,561	11,571
Euro	53	273	5	-
Bahrain Dinar	2,884	1,062	-	-
Chinese Renminbi	330	262	-	-
Others	1,090	564	-	6
	75,595	91,473	119,772	108,521

24. REVENUE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Publication, printing and distribution of newspapers and magazines	748,254	791,311	748,809	792,640
Broadcasting	55,120	57,423	-	-
Event management, exhibition services and thematic	198,826	215,832	-	-
Subscription and distribution	9,984	7,507	-	-
Others	13,146	7,834	-	
	1,025,330	1,079,907	748,809	792,640

25. COST OF SALES AND SERVICES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Publication, printing and distribution of newspapers and magazines	255,461	266,495	254,620	266,489
Broadcasting	10,346	18,531	-	-
Event management, exhibition services and thematic	128,488	161,729	-	-
Subscription and distribution	8,976	6,561	-	-
Others	2,229	1,553	-	
	405,500	454,869	254,620	266,489

26. FINANCE COSTS

	G	Group		npany
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expenses:				
- Medium Term Note	9,300	9,300	9,300	9,300
- Finance leases	384	449	-	-
- Hire purchase	75	65	-	-
- Bank loans	325	978	-	-
- Advances from subsidiary	-	-	2,720	3,373
- Others	107	169	-	
	10,191	10,961	12,020	12,673

27. PROFIT BEFORE TAX

Profit before tax is arrived at:

		G	roup	Cor	npany
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
After charging:					
Auditors' remuneration:					
- Statutory					
- Current year		931	798	203	181
- Under/(Over) provision in prior year		4	(3)	2	(4)
- Non-statutory					
- Current year		65	78	13	49
- Under provision in prior year		3	-	-	-
Amortisation of radio licence included in administrative					
and other expenses	9(b)	4,016	4,015	-	-
Amortisation of internet portal	9(f)	302	-	-	-
Amortisation of television programmes rights	9(c)	4,127	1,830	-	-
Amortisation of computer softwares	9(d)	1,914	1,978	1,745	1,959
Accretion of contingent considerations	23(f)	970	328	-	-
Impairment losses on:					
- third parties	14(h)	1,488	2,384	110	36
- subsidiaries		-	-	-	816
Bad debts written off		10	41	-	-
Depreciation of property, plant and equipment	7	43,181	42,587	35,896	35,259
Depreciation of investment properties	8	246	246	246	246
Directors' remuneration payable to					
- Directors of the Company					
- fees		591	630	591	630
- other emoluments	36	7,822	12,783	7,822	12,783
- Directors of subsidiaries					
- fees		533	399	-	-
- other emoluments		9,956	7,373	-	-
Fair value loss on other investments			1,410		1,410

27. PROFIT BEFORE TAX (CONT'D)

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

		G	roup	Coi	npany
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
After charging (cont'd):					
Realised foreign exchange losses Impairment losses included in administrative and other expenses on:		249	1,098	23	95
- goodwill	9(a)	-	22,117	-	-
- investment in a joint arrangement	12	1,611	-	2,141	4,752
- investment in subsidiaries		-	-	6,941	-
- other investment		-	5,765	-	5,765
- property, plant and equipment	7	54	832	-	-
Loss on disposal of:					
- property, plant and equipment	7	509	49	-	-
- investment in an associate		-	816	-	598
Operating lease rental		134	134	134	134
Property, plant and equipment written off	7	1,354	1,351	55	657
Rental of premises		6,756	6,960	496	383
Rental of warehouse		50	6	-	-
And crediting:					
Accretion of non-current other receivables		4,200	1,050	4,200	1,050
Reversal of impairment losses	14(h)	1,296	1,519	13	299
Bad debts recovered		-	4	-	4
Dividend income		-	-	8,721	-
Fair value gain on other investments		1,057	-	1,057	-
Foreign exchange gain					
- realised		348	-	-	-
- unrealised		-	-	5,818	706

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(Cont'd)

27. PROFIT BEFORE TAX (CONT'D)

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

		G	roup	Coi	mpany
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
And crediting (cont'd):					
Gain on disposal of:					
- property, plant and equipment	7	528	123	96	81
- a subsidiary		-	-	7,022	-
- non-current assets held for sale		-	89,982	-	89,982
- intangible assets		2	-	-	-
- available-for-sale financial assets		143	-	-	-
Interest income		7,647	10,295	7,006	8,225
Investment income		7,574	5,346	7,574	5,346
Rental income:					
- investment properties		613	838	613	838
- others		240	81	51	45
Reversal of Director emolument		-	4,500	-	4,500

The estimated monetary value of benefits-in-kind not included in the above received by Directors of the Company was RM1,298,000 (2012: RM974,000) for the Group and the Company.

28. TAX EXPENSE

	Gi	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	
Current year tax expense based on profit for the financial year					
- Malaysian income tax	58,423	60,869	54,772	56,387	
- Foreign income tax	1,257	2,564	-	-	
	59,680	63,433	54,772	56,387	
(Over)/Under provision in prior years					
- Malaysian income tax	(3,154)	220	(2,602)	(134)	
- Foreign income tax	10	(3)	-	-	
	(3,144)	217	(2,602)	(134)	
	56,536	63,650	52,170	56,253	
Deferred tax (Note 15)					
- Relating to origination and reversal of temporary differences	(4,148)	(7,387)	(2,105)	(5,665)	
- Under provision in prior years	782	2,643	717	2,891	
	(3,366)	(4,744)	(1,388)	(2,774)	
Tax expense	53,170	58,906	50,782	53,479	

28. 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	192,586	259,648	209,504	292,833
Taxation at Malaysian statutory rate of 25% (2012: 25%)	48,146	64,912	52,376	73,208
Expenses not deductible for tax purposes	12,590	17,698	5,343	9,967
Income not subject to tax	(5,422)	(26,009)	(5,052)	(25,964)
Deferred tax assets not recognised	1,170	6,449	-	-
Tax incentives	-	(6,614)	-	(6,489)
Utilisation of previously unrecognised deferred tax assets	(319)	(218)	-	-
Difference in tax rates in foreign jurisdiction	(633)	(172)	-	-
	55,532	56,046	52,667	50,722
Under/(Over) provision in prior years				
- corporate tax	(3,144)	217	(2,602)	(134)
- deferred tax	782	2,643	717	2,891
Tax expense	53,170	58,906	50,782	53,479

The Malaysian income tax is calculated at the statutory tax rate of 25% (2012: 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.

29. 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.

	2013	2012
Profit attributable to equity holders of the parent (RM'000)	142,876	208,099
Weighted average number of ordinary shares in issue ('000)	738,564	738,564
Weighted average number of treasury shares held ('000)	(414)	(77)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	738,150	738,487
Basic earnings per ordinary share (sen)	19.36	28.18

Diluted earnings per ordinary share

Diluted earnings per ordinary share equals basic earnings per share as there is no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

(Cont'd)

30. DIVIDENDS

Dividends recognised in the current financial year by the Company are:

	Gross dividend per ordinary share	Amount of dividend, net of tax	Net dividend per ordinary share
	sen	RM'000	sen
2013			
2013 First interim dividend paid	6.0	44,285	6.0
2012 Second interim dividend paid	6.0	44,302	6.0
2012 Special interim dividend paid	3.0	22,151	3.0
	15.0	110,738	15.0
2012			
2012 First interim dividend paid	6.0	44,310	6.0
2012 Special interim dividend paid	3.0	22,155	3.0
2011 Second interim dividend paid	6.0	44,310	6.0
2011 Special interim dividend paid	3.0	22,155	3.0
	18.0	132,930	18.0

Subsequent to the financial year, on 27 February 2014, 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 RM44,277,000 and RM22,139,000 respectively in respect of the financial year ended 31 December 2013. The dividends are payable on 18 April 2014 to the shareholders whose names appear in the Record of Depositors at the close of business on 28 March 2014.

31. ACQUISITION OF SUBSIDIARIES

(a) Ocision Sdn. Bhd. ("Ocision")

On 17 June 2013, the Company via its wholly-owned subsidiaries, Star MediaWorks Sdn. Bhd. and Star Media Radio Group Sdn. Bhd. (formerly known as Star Commercial Publications Sdn. Bhd.) acquired 90% equity interest in Ocision Sdn. Bhd. and its subsidiaries for a consideration of RM13,500,000 by way of cash.

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

(a) Ocision Sdn. Bhd. ("Ocision") (cont'd)

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

	2013 RM'000
Property, plant and equipment (Note 7)	164
Intangible assets - computer software (Note 9(d))	266
Intangible assets - internet portal (Note 9(f))	2,417
Receivables	232
Cash and bank balances	1,318
Payables	(475)
Borrowings	(115)
Total identifiable net assets	3,807
Less: Non-controlling interests, measured at proportionate share of net assets	(140)
Goodwill arising from acquisition (Note 9(a))	9,833
Total cost of acquisition	13,500

Goodwill of RM9,833,000 is derived from the synergies between the principal activities of the subsidiaries acquired and the existing Group. These subsidiaries are engaged in the business of online portals. Ocision owns three (3) internet portals, namely iBilik.com, Propwall.com and Carsifu.com. The Group views that the acquisition of Ocision will further diversify and strengthen the Group's existing media assets as well as contribute to the growth of the Group's business. It will also complement the Group's existing products and fortify the Group's market share in the new media space. The management believes that the acquisition will improve the digital segment's financial performance through a higher degree of media market penetration.

Transaction costs related to the acquisition of RM143,000 was recognised in profit or loss as administrative expenses.

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

	2013 RM'000
Purchase consideration settled in cash	13,500
Less: Cash and cash equivalents of subsidiary acquired	(1,318)
Net cash outflow of the Group on acquisition	12,182

The following are the results of operations of Ocision to the Group for the financial year from its date of acquisition.

	2013 RM'000
Revenue	1,321
Loss for the financial year	(452)

Had the business combination taken place at the beginning of the year, the Group's revenue contribution from Ocision would have been RM2,055,000 and loss for the financial year would have been RM396,000.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013 (Cont'd)

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

(b) Interbuild Construction Company Sdn. Bhd. ("Interbuild")

On 8 February 2013, Cityneon Holdings Limited acquired 90% equity interest in Interbuild Construction Company Sdn. Bhd., a company incorporated in Brunei Darussalam.

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

	2013 RM'000
Other payables, representing net identifiable liabilities at fair value	(6)
Non-controlling interests, measured at proportionate share of net assets	1
Goodwill arising from acquisition	119
Total cost of acquisition	114

Interbuild is involved in Interior Architecture and Experiential Environment segment of the Group. The acquisition of the business would allow the Group to expand to a new geographical market.

Transaction costs related to the acquisition of RM103,000 have been recognised in profit or loss as administrative expenses.

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

	2013 RM'000
Purchase consideration settled in cash	114
Less: Cash and cash equivalents of subsidiary acquired	
Net cash outflow of the Group on acquisition	114

(c) Red Tomato Media Sdn. Bhd. ("RTMSB")

In 2012, the Company acquired 83.61% of the issued and paid-up ordinary share capital of Red Tomato Media Sdn. Bhd. ("RTMSB"), a company incorporated in Malaysia which is principally engaged in the trading of publication, mass media and other related activities, comprising 2,484,834 ordinary shares of RM1.00 each for a cash consideration of RM1,491,000.

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

(c) Red Tomato Media Sdn. Bhd. ("RTMSB") (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 (Note 7)	309
Receivables	498
Payables	(1,571)
Borrowings	(403)
Total identifiable net assets	(1,167)
Less: Non-controlling interests, measured at proportionate share of net assets	191
Goodwill arising from acquisition (Note 9(a))	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 that 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 untapped 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. Control was obtained by virtue of owning a majority of the voting rights of RTMSB.

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/Net cash outflow of the Group on acquisition	1,491
In 2012, the acquisition of RTMSB has contributed the following results to the Group:	
	2012 RM'000
Revenue	1,734
Loss for the financial year	(3,743)

If the acquisition had occurred on 1 January 2012, the Group's revenue contribution from RTMSB has been RM1,734,000 and the loss for financial year ended have been RM3,743,000.

32. ACQUISITION OF BUSINESS AND ASSETS

In year 2012, the Company via its subsidiary I.Star Ideas Factory Sdn. Bhd. acquired the business and assets of CNM Events Marketing Sdn. Bhd. ("CNM Events Marketing") which owns the home and lifestyle exhibition 'Perfect Livin'. The purchase considerations are satisfied by way of cash amounted to RM28,800,000 and additional cash payments amounting to RM16,200,000 which will be made in tranches to CNM Events Marketing if the entity generates not less than the total profit before tax of RM30,000,000 over a period of three (3) years. At the acquisition date, the fair value of the contingent consideration was estimated at RM14,071,000.

The fair value of the identifiable assets and liabilities of I.Star Ideas Factory as at the date of acquisition are as follows:

	2012 RM'000
Receivables	4,018
Cash and bank balances	1,433
Deferred revenue	(5,451)
Total identifiable net assets	-
Total cost of acquisition	42,871
Goodwill arising from acquisition	42,871

Effects of the acquisition of CNM Events Marketing on cash flows

	RM'000
Total consideration for the business and assets acquired	42,871
Less: Non-cash consideration	(14,071)
Consideration settled in cash	28,800
Less: Cash and cash equivalents acquired	(1,433)
Net cash outflow on acquisition	27,367

Goodwill of RM42,871,000 is derived from the synergies between the principal activities of the business acquired and the existing Group. The principal activities of the newly acquired business would be able to bring operational synergies to the Group and further enhance its significance in the Event and Exhibition segment of the Group. The existing expertise of the Group in print and new media segment as well as broadcasting segment would help in providing publicity and improve the performance of the newly acquired business. Acquisition of the business would also allow the Group to provide more value added services to its existing customers whilst attracting potential new customers. The management believes that by combining the resources from both media and event management, it will help the Group in achieving improved financial performance.

In 2012, the acquisition has contributed the following results to the Group:

	2012 RM'000
Revenue	8,641
Profit for the financial year	1,933

If the acquisition had occurred on 1 January 2012, the Group's revenue contribution from I.Star Ideas Factory would have been RM20,796,000 and the profit for the financial year would have been RM7,560,000.

33. 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) Associates as disclosed in Note 11 to the financial statements;
- (iii) Joint arrangement 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.
- (b) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Subsidiaries				
Sales of advertisement space	-	-	711	891
Purchase of airtime	-	-	113	836
Advertisement commission paid/payable	-	-	882	1,105
Purchase of property, plant and equipment	-	-	7	-
Event fees paid/payable	-	-	422	413
Purchase of intangible assets	-	-	42	-
Disposal of property, plant and equipment	-	-	3	5
Training fees paid/payable	-	-	1,477	1,441
Interest received/receivable	-	-	1,709	781
Management fees	-	-	532	307
Annual maintenance fee	-	-	164	71
Online listing	-	-	21	-
Rental of premise	-	-	18	15
Jobbing income	-	-	3,259	2,110
Interest payable	-	-	2,720	3,373
Dividend income	-	-	8,721	-
Purchase of advertisement space	-	-	48	53
Purchase of online job posting			1,726	607

33. RELATED PARTIES TRANSACTIONS (CONT'D)

(b) The Group and the Company had the following transactions with related parties during the financial year (cont'd):

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Company in which certain Director has financial interests				
Sales of advertisement space	76	18	76	18
Purchase of services	261	904	261	904

The related party transactions described above were carried out on negotiated terms and conditions and in the ordinary course of business between the related parties and the Group.

Balances of the above transactions with subsidiaries are as disclosed in Notes 14 and 23 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.

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

	Group an	Group and Company		
	2013 RM'000	2012 RM'000		
Short term employee benefits	8,832	12,979		
Contributions to defined contribution plans	880	1,410		
	9,712	14,389		

34. CONTINGENT LIABILITIES

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 business, the Directors and 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 RM1,655,000 (2012: RM1,597,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM19,591,000 (2012: RM14,206,000). The tender bonds and guarantees are secured by bank guarantees amounting to RM1,362,000 (2012: RM553,000).

35. COMMITMENTS

(a) Operating lease commitments

The Group as a lessee

Computer equipment and office buildings under various operating leases in 2013 and 2012 are as follows:

	G	roup
	2013 RM'000	2012 RM'000
Not later than one (1) year	3,281	3,434
Later than one (1) year and not later than five (5) years	7,487	9,154
	10,768	12,588

(b) Capital commitments

	G	roup	Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Authorised capital expenditure not provided for in the financial statements				
- contracted	36,473	16,755	22,143	555
- not contracted	4,624	17,374	4,624	17,374
	41,097	34,129	26,767	17,929
Analysed as follows:				
- Renovation	18	555	18	555
- Plant and equipment	11,749	17,374	11,749	17,374
- Investment	29,330	16,200	15,000	
	41,097	34,129	26,767	17,929

36. EMPLOYEE BENEFITS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and wages	224,915	214,144	153,203	144,501
Defined contribution retirement plans	26,380	26,423	20,488	20,382
Others	16,646	20,976	13,213	18,871
	267,941	261,543	186,904	183,754

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM17,778,000 (2012: RM20,156,000) and RM7,822,000 (2012: RM12,783,000) respectively.

37. OPERATING SEGMENTS

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

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 comprise operations related to the provision of human capital development including training and consultancy, investment holding, investment of assets held and online portal.

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.

37. OPERATING SEGMENT (CONT'D)

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

2013	Print and digital 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	751,154	55,420	198,884	9,984	9,888	-	1,025,330
Inter-segment sales	7,071	562	425	-	1,477	(9,535)	
Total revenue	758,225	55,982	199,309	9,984	11,365	(9,535)	1,025,330
5 "							
Results		12.5 (1)		(0.0.0)			
Segment results	188,789	(934)	11,829	(6,348)	(4,884)	-	188,452
Finance costs	(9,324)		(475)	(6)	(2)	-	(10,191)
Interest income	5,297	1,162	184	-	1,004	-	7,647
Investment income	7,574	-	-	-	-	-	7,574
Share of loss in a joint arrangement	(896)	_	-	-	-	-	(896)
Profit before tax							192,586
Tax expense							(53,170)
Profit for the financial year							139,416
Assets							
Segment assets	1,320,373	101,888	204,858	25,531	42,356	-	1,695,006
Investment in a joint							
arrangement	143	-	-	-	-	-	143
Investment in associates	-	-	-	-	2,950	-	2,950
Total assets							1,698,099
Liabilities							
Segment liabilities	370,812	13,030	73,805	5,204	41,049	-	503,900

37. OPERATING SEGMENT (CONT'D)

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

2013	Print and digital 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
Other segment information							
Capital expenditure	16,192	1,731	2,833	232	493	-	21,481
Depreciation	36,445	3,286	3,388	89	219	-	43,427
Amortisation Impairment of property, plant and	1,826	4,027	2	4,168	336	-	10,359
equipment Non-cash expenses other than depreciation and	-	-	54	-	-	-	54
amortisation	3,104	646	2,596	39	11	-	6,396

37. OPERATING SEGMENT (CONT'D)

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

2012	Print and digital 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	794,350	57,601	215,896	7,507	4,553	-	1,079,907
Inter-segment sales	4,784	1,039	583		1,441	(7,847)	
Total revenue	799,134	58,640	216,479	7,507	5,994	(7,847)	1,079,907
Results							
Segment results	270,780	3,347	(8,555)	(5,888)	(182)	_	259,502
Finance costs	(9,331)		(430)	(5)	(746)	-	(10,961)
Interest income	7,447	1,029	34	-	1,785	-	10,295
Investment income	5,346	-,	_	_		_	5,346
Share of profit in an associate	218	-	-	_	_	-	218
Share of loss in a joint arrangement	(4,752)	-	_	-	-	-	(4,752)
Profit before tax							259,648
Tax expense							(58,906)
Profit for the financial year							200,742
Assets							
Segment assets	1,295,211	115,349	198,143	30,045	54,278	-	1,693,026
Investment in a joint arrangement	2,650	-	-	_	_	-	2,650
Total assets							1,695,676
Liabilities							
Segment liabilities	388,952	14,447	77,666	6,088	38,040	_	525,193
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013 (Cont'd)

37. OPERATING SEGMENT (CONT'D)

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

2012	Print and digital 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
Other segment information							
Capital expenditure	51,601	921	3,991	577	347	-	57,437
Depreciation	35,921	3,400	3,355	66	91	-	42,833
Amortisation	1,959	4,026	-	1,836	2	-	7,823
Impairment loss on goodwill Impairment loss on	-	-	10,177	11,940	-	-	22,117
other investment Impairment of property, plant and	5,765	-	-	-	-	-	5,765
equipment Non-cash expenses other than depreciation and	-	-	832	-	-	-	832
amortisation	1,567	1,649	1,306	35	33	-	4,590

37. 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:

	Re	Revenue		ent assets
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	851,612	880,968	1,533,004	1,491,328
Singapore	74,322	106,727	75,230	93,097
Middle East	26,206	34,365	61,893	42,471
Others	73,190	57,847	27,972	68,780
	1,025,330	1,079,907	1,698,099	1,695,676

38. 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.

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Capital management (cont'd)

	Group		Co	mpany
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and borrowings	265,715	264,798	200,002	200,000
Less: Cash and bank balances (Note 17)	(109,788)	(110,166)	(31,644)	(39,393)
Net debt	155,927	154,632	168,358	160,607
Total capital	1,194,199	1,170,483	1,166,964	1,120,030
Gearing ratio	13.1%	13.2%	14.4%	14.3%

(b) Financial instruments

Categories of financial instruments

	Fair value						
Group 2013	Note	Loans and receivables RM'000	through profit or loss RM'000	Held to maturity RM'000	Total RM'000		
Financial assets							
Other investments	13	-	45,687	10,000	55,687		
Trade and other receivables	14	302,412	-	-	302,412		
		302,412	45,687	10,000	358,099		
Cash and cash equivalents	17	538,117	=	-	538,117		
		840,529	45,687	10,000	896,216		

Group 2013	Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	65,715	-	65,715
Trade and other payables	23	75,595	<u>-</u>	75,595
		341,310		341,310

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

			Fair value			
Group 2012	Note	Loans and receivables RM'000	through profit or loss RM'000	Available- for-sale RM'000	Held to maturity RM'000	Total RM'000
Financial assets						
Other investments	13	-	39,179	6,772	15,000	60,951
Trade and other receivables	14	303,592		-	-	303,592
		303,592	39,179	6,772	15,000	364,543
Cash and cash equivalents	17	473,735	-	-	-	473,735
		777,327	39,179	6,772	15,000	838,278

Group		Other Fair value financial through liabilities profit or loss		Total
2012	Note	RM'000	RM'000	RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	64,798	-	64,798
Trade and other payables	23	91,473	-	91,473
		356,271	-	356,271

Company 2013	Note	Loans and receivables RM'000	profit or loss	Held to maturity RM'000	Total RM'000
Financial assets					
Other investments	13	-	45,687	10,000	55,687
Trade and other receivables	14	254,857	-	-	254,857
		254,857	45,687	10,000	310,544
Cash and cash equivalents	17	419,046	-	-	419,046
		673,903	45,687	10,000	729,590

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

Company 2013		Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial liabilities					
Medium term notes		20	200,000	-	200,000
Borrowings		21	2	-	2
Trade and other payables		23	119,772	-	119,772
			319,774	-	319,774
Company 2012	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
Financial assets					
Other investments	13	-	39,179	15,000	54,179
Trade and other receivables	14	315,540	-	-	315,540
		315,540	39,179	15,000	369,719
Cash and cash equivalents	17	336,204	_	-	336,204
		651,744	39,179	15,000	705,923
Company 2012		Note	Other financial liabilities RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial liabilities					
Medium term notes		20	200,000	-	200,000
Trade and other payables		23	108,521	-	108,521
			308,521		308,521

38. 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:

	G	roup	Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2013				
Recognised				
Financial assets				
4.38% p.a. Malaysian quoted investment funds due on				
14 November 2014	5,000	5,043	5,000	5,043
5.50% p.a. Malaysian quoted investment funds due on	5 000	4.000	5 000	4 000
27 February 2015	5,000	4,899	5,000	4,899
Unrecognised				
Contingent liabilities				
- Litigation	-	2,106	-	2,106
- Bank guarantee	-	-	-	#
2012				
Recognised				
Financial assets				
4.38% p.a. Malaysian quoted investment funds due on	5.000	5.000	5.000	5.000
14 November 2014	5,000	5,093	5,000	5,093
5.50% p.a. Malaysian quoted investment funds due on 27 February 2015	5,000	4,935	5,000	4,935
5.50% p.a. Malaysian quoted investment funds due on	0,000	1,000	0,000	1,000
7 June 2015	5,000	5,073	5,000	5,073
Unrecognised				
Contingent liabilities				
- Litigation	-	2,199	-	2,199
- Bank guarantee	<u>-</u>	-	-	#

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013 (Cont'd)

38. 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, 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.

(ii) Medium Term Notes

The carrying amounts of medium term notes which bear fixed interest rates are reasonable approximation of its fair values and would not be significantly different from the values that would eventually be settled.

(iii) 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.

(iv) 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

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 measurement based on the degree to which the fair value is observable as follows:

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).

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value hierarchy (cont'd)

The discounted cash flow method was used in determining the fair value measurement of Level 3 financial instrument, unquoted equity investment with unobservable inputs such as weighted average cost of capital (7.2%). The higher the weighted average cost of capital, the lower the fair value of the unquoted equity investment would be.

As at 31 December 2013, 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 2013 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	40,042	40,042	-	-
- Quoted equity investment	4,114	4,114	-	-
- Unquoted equity investment	1,531	-	-	1,531
	45,687	44,156	-	1,531
Company				
Financial assets at fair value through profit or loss				
- Quoted investment funds	40,042	40,042	-	-
- Quoted equity investment	4,114	4,114	-	-
- Unquoted equity investment	1,531	-	-	1,531
	45,687	44,156	-	1,531

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013 (Cont'd)

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value hierarchy (cont'd)

As at 31 December 2012, 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 2012 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	35,226	35,226	-	-
- Quoted equity investment	2,422	2,422	-	-
- Unquoted equity investment	1,531	-	-	1,531
Available-for-sale financial assets				
- Quoted bond	6,772	6,772	-	-
	45,951	44,420	-	1,531
Company				
Financial assets at fair value through profit or loss				
- Quoted investment funds	35,226	35,226	-	-
- Quoted equity investment	2,422	2,422	-	-
- Unquoted equity investment	1,531	-	-	1,531
	39,179	37,648	-	1,531

There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 December 2013 and 31 December 2012.

The following table shows a reconciliation of balances of financial instruments whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group an	d Company
	2013 RM'000	2012 RM'000
Financial assets at fair value through profit or loss		
Balance at 1 January	1,531	3,866
Purchases	-	3,430
Total gains or losses recognised in profit or loss	-	(5,765)
Balance at 31 December	1,531	1,531

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value hierarchy (cont'd)

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 the discount rate by 1% would have the following effects:

	Effect on	profit or loss	
	Favourable RM'000	(Unfavourable) RM'000	
Unquoted equity investment	687	(687)	

A valuation team will oversee all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Operating Decision Maker ('CODM'). The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group 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 and cash flow 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 each reporting period, such foreign currency balances amounted to RM49,880,799 (2012: RM75,350,936) for the Group and RM962,487 (2012: RM58,243) for the Company.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group did not enter into any forward foreign exchange contract during the financial year.

39. 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.

	2013		2012		
	Group RM'000			Company RM'000	
	Profit net of tax	Profit net of tax	Profit net of tax	Profit net of tax	
USD/RM - strengthen by 3% (2012: 3%)	-637	-940	-669	-1,242	
- weaken by 3% (2012: 3%)	+637	+940	+669	+1,242	
EUR/RM - strengthen by 3% (2012: 3%)	+5	-	-3	-	
- weaken by 3% (2012: 3%)	-5	-	+3	-	
BHD/RM - strengthen by 3% (2012: 3%)	+748	-	+519	-	
- weaken by 3% (2012: 3%)	-748	-	-519	-	
OMR/RM - strengthen by 3% (2012: 3%)	+147	-	+124	-	
- weaken by 3% (2012: 3%)	-147	-	-124	-	
SGD/RM - strengthen by 3% (2012: 3%)	+489	+1,079	+630	+1,041	
- weaken by 3% (2012: 3%)	-489	-1,079	-630	-1,041	
AUD/RM - strengthen by 3% (2012: 3%)	-1,730	-1,730	-1,235	-1,235	
- weaken by 3% (2012: 3%)	+1,730	+1,730	+1,235	+1,235	

(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 activities of the Group.

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.

39. 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 liabilities of the Group and the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

		1-5	Over	
	1 year	years	5 years	Total
Note	RM'000	RM'000	RM'000	RM'000
23	67,026	9,400	-	76,426
	60,600	118,097	124,369	303,066
	127,626	127,497	124,369	379,492
	On demand			
	or within	1-5	Over	
	1 year	years	5 years	Total
Note	RM'000	RM'000	RM'000	RM'000
23	119,772	-	-	119,772
	1	113,501	124,000	237,502
	119,773	113,501	124,000	357,274
	On demand			
	or within	1-5	Over	
	1 year	years	5 years	Total
Note	RM'000	RM'000	RM'000	RM'000
23	78,944	14,330	-	93,274
	58,492	124,293	130,197	312,982
	137,436	138,623	130,197	406,256
	Note 23 Note	23 67,026 60,600 127,626 On demand or within 1 year RM'000 23 119,772 1 119,773 On demand or within 1 year RM'000 24 17,626	or within 1-5 1 year years Note RM'000 RM'000 23 67,026 9,400 60,600 118,097 127,626 127,497 On demand or within 1-5 1 year years Note RM'000 RM'000 23 119,772 - 1 113,501 119,773 113,501 On demand or within 1-5 1 year years RM'000 RM'000 24 17,497	or within 1-5 Over 1 years 5 years RM'000 RM'000 RM'000 23 67,026 9,400 - 60,600 118,097 124,369 127,626 127,497 124,369 On demand or within 1-5 Over 1 year years 5 years RM'000 RM'000 23 119,772 1 113,501 124,000 On demand or within 1-5 Over 1 year years 5 years RM'000 RM'000 On demand or within 1-5 Over 1 year years 5 years RM'000 RM'000 On demand or within 1-5 Over 1 year years 5 years RM'000 RM'000 On demand or within 1-5 Over 1 year years 5 years RM'000 RM'000 RM'000

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

Company	(On demand or within 1 year	1-5 years	Over 5 years	Total
2012	Note	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Trade and other payables	23	108,521	-	-	108,521
Loans and borrowings		-	118,000	128,800	246,800
Total undiscounted financial liabilities		108,521	118,000	128,800	355,321

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and the Company will fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company 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 2013, if interest rates at the date had been 50 basis points lower or higher, with all other variables held constant, post-tax profit for the year would increase or decrease by RM1,020,000 (2012: RM1,016,000) arising mainly as a result of a lower or higher interest expense on loans and borrowings.

For those deposits placed with licensed banks, if the interest rates were to increase or decrease by 50 basis points, with all other variables held constant, post-tax profit for the year would increase or decrease by RM2,308,000 (2012: RM1,950,000) arising mainly as a result of higher or lower interest income derived from short term deposits.

Profit is equally sensitive to interest rate decreases and increases. The sensitivity is higher in 2013 than in 2012 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.

39. 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 each reporting period and the remaining maturities of the financial instruments of the Group and of the Company 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 2013									
Fixed rates									
Deposits placed with licensed banks Hire purchase and	17	3.26	428,329	-	-	-	-	-	428,329
finance lease liabilities	22	6.36	(1,093)	(1,162)	(1,219)	(1,218)	(955)	(412)	(6,059)
Medium Term Notes	20	4.65	(1,000)	(1,102)	(100,000)	(1,210)	(100,000)	(412)	(200,000)
Floating rate Bank loan (secured)	21	2.04	(59,507)						(59,507)
As at 31 December 2012									
Fixed rates									
Deposits placed with licensed banks Hire purchase and	17	3.22	363,569	-	-	-	-	-	363,569
finance lease liabilities	22	6.44	(1,156)	(1,227)	(1,302)	(1,368)	(1,352)	(1,331)	(7,736)
Medium Term Notes	20	4.65	-	-	(1,002)	(100,000)	-	(1,001)	(200,000)
Floating rate									
Bank loan (secured)	21	2.05	(55,194)	(1,691)	-	-	-	_	(56,885)

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

(Cont'd)

39. 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 each reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (cont'd):

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
		,		,				
4.47								4- 6-6
14(e)	3.27	17,070	-	-	-	=	-	17,070
17	3.28	387,402	_	_	_	-	-	387,402
20	4.65	-	_	(100,000)	-	(100,000)	-	(200,000)
22	-	(1)	(1)	_	_	_	-	(2)
23(b)	5.55	(76,839)	_	_		_	_	(76,839)
14(e)	3.30	44,418	-	-	-	-	-	44,418
17	3.32	296,811	-	-	_	-	-	296,811
20	4.65	_	-	_	(100,000)	-	(100,000)	(200,000)
23(b)	6.53	(54,917)	_	_	_	_	_	(54,917)
	14(e) 17 20 22 23(b) 14(e) 17 20	average effective interest rate % Note % 14(e) 3.27 17 3.28 20 4.65 22 - 23(b) 5.55 14(e) 3.30 17 3.32 20 4.65	average effective interest rate Note % KM'000 14(e) 3.27 17,070 17 3.28 387,402 20 4.65 - 22 - (1) 23(b) 5.55 (76,839) 14(e) 3.30 44,418 17 3.32 296,811 20 4.65 -	average effective interest rate 1 year years Note % RM'000 RM'000 14(e) 3.27 17,070 - 17 3.28 387,402 - 20 4.65 22 - (1) (1) 23(b) 5.55 (76,839) - 14(e) 3.30 44,418 - 17 3.32 296,811 - 20 4.65	average effective interest Within 1 - 2 2 - 3 rate 1 year years years RM'000 RM	14(e) 3.30 44,418	Average effective interest rate 1 year years y	Note Figure Fig

39. 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 policy of the Group 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 primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group 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 section to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company 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 14 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:

		Gro	ab dr		
	20	13	20	2012	
		% of		% of	
	RM'000	total	RM'000	total	
By country:					
Malaysia	102,291	66%	109,655	60%	
Singapore	29,857	19%	33,659	19%	
Middle East	10,781	7%	23,964	13%	
Hong Kong	2,662	2%	2,839	2%	
Asia Pacific (including Australia)	1,921	1%	5,929	3%	
Europe	5,242	4%	5,294	3%	
China	2,103	1%	58	*	
Others	-	*	116	*	
	154,857	100%	181,514	100%	

^{*} Amount is less than 1%.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

(Cont'd)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

	Group			
	20	13		2012
		% of		% of
	RM'000	total	RM'000	total
By industry sectors:				
Print and digital	85,427	55%	87,715	48%
Event, exhibition, interior and thematic	53,973	35%	74,867	41%
Broadcasting	11,265	7%	15,326	9%
Television channel	2,662	2%	2,839	2%
Others	1,530	1%	767	*
	154,857	100%	181,514	100%

 ^{*} Amount is less than 1%

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% (2012: 32%) 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 14 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 14 to the financial statements.

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the financial instruments of the Group 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.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Market price risk (cont'd)

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.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 15 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Eighth Power Sdn. Bhd. ("Eighth Power") for a total cash consideration of RM2.00 only. The principal activity of Eighth Power is to invest in high growth technology-based startups/industries.
- (b) On 18 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Magnet Bizz Sdn. Bhd. ("Magnet Bizz") for a total cash consideration of RM2.00 only. The principal activity of Magnet Bizz is to carry on the business of publishers of magazines and books.
- (c) On 7 May 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each in I.Star Events Sdn. Bhd. ("I.Star Events") for a cash consideration of RM2.00 only, resulting in I.Star Events becoming a wholly-owned subsidiary of the Company. The intended principal activities of I.Star Events are to carry on the business as managers, promoters and organisers of all kinds of events.
- (d) On 17 June 2013, the Company completed the acquisition of 90% equity interest in Ocision Sdn. Bhd. and group of companies through its wholly-owned subsidiaries, Star MediaWorks Sdn. Bhd. and Star Media Radio Group Sdn. Bhd.. With effect from the abovementioned date, Ocision becomes a subsidiary of Star MediaWorks Sdn. Bhd., which in turn is a sub-subsidiary of the Company.
- (e) On 3 September 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Venus Agency Sdn. Bhd. for a total cash consideration of RM2.00 only. The intended principal activity is to carry on the business of advertising agency.

41. 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:

	20-	13	20 ⁻	12
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries:				
- Realised	446,653	489,465	414,446	449,040
- Unrealised	(62,793)	(59,432)	(69,283)	(66,991)
	383,860	430,033	345,163	382,049
Total share of retained profits from joint arrangement:				
- Realised	(18,188)	-	(17,292)	
	365,672	430,033	327,871	382,049
Consolidation adjustments	37,431	-	49,559	
Total retained earnings as at 31 December	403,103	430,033	377,430	382,049

LIST OF PROPERTIES

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
No.15-19, Jalan Masjid Kapitan Keling 10200 Pulau Pinang	Leasehold Expiry: 2055	22,640 sq. ft.	Office block	Pre-war	924	1983#
No. 26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,440 sq. ft.	2-storey semi-detached house	53	850	1995
Kawasan Perindustrian Bukit Minyak, Mukim 13 Daerah Seberang Perai 14100 Bukit Mertajam Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Newsprint warehouse	16	8,872	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	13	41,335	2001
No. 2, Jalan U8/88 Section U8 Bukit Jelutong Industrial Park	Freehold	405,979 sq. ft	Industrial land	N/A	22,495	1997
40150 Shah Alam Selangor Darul Ehsan		205,117 sq. ft	Printing plant	13	33,885	2001
202, Jalan Sultan Azlan Shah 11900 Bayan Lepas	Freehold	12,086 sq. metres	Industrial land	N/A	11,954	1997
Pulau Pinang		19,472 sq. metres	Regional office and printing plant	12	20,291	2002
Lot 9, First Floor Block B, Lintas Square 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft	Office block	15	195	1999
Lot No. 6037 (26198) Mukim Bentong Daerah Bentong Pahang Darul Makmur	Freehold	8.975 acres	Vacant residential land	N/A	2,096	1999

LIST OF PROPERTIES (Cont'd)

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
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	1,451	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	10	1,976	2004
No. 7, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	108,900 sq. ft	Industrial land	N/A	4,380	2004
No. 9, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	111,078 sq. ft	Industrial land	N/A	4,443	2004
10 Anson Road #19-14 International Plaza Singapore 079903	Leasehold Expiry: 2070	219 sq.metres	19th floor on a 50-storey building	38	2,559	2005
Neighbourhood Commercial Centre GF to 3F, U6, Phase 19 62250 Putrajaya	Freehold	1,690.72 sq.metres	4-storey shop office	9	3,721	2005

LIST OF PROPERTIES (Cont'd)

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
No.8 & 10, Lorong Chung Thye Phin 30250 Ipoh	Leasehold Expiry: 2893	1,622.53 sq.metres	Commercial land	N/A	1,383	2005
Perak Darul Ridzuan		1,978 sq.metres	Office Building	3	4,455	2011
Klang Town Commercial Centre No. 35 Lebuh Tapah, Bandar Kla 41400 Klang Selangor Darul Ehsan	Freehold ng	445.93 sq.metres	3-storey shop office	7	748	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	5	2,563	2009

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2014

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

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS/ DEPOSITORS	% OF SHAREHOLDERS/ DEPOSITORS	NO. OF SHARES/ SECURITIES HELD	% OF ISSUED CAPITAL
1 - 99	83	0.968	1,627	0.000
100 - 1,000	1,680	19.599	1,484,040	0.201
1,001 - 10,000	5,294	61.759	23,292,706	3.156
10,001 - 100,000	1,274	14.863	39,060,624	5.294
100,001 - 36,897,819	239	2.788	287,781,445	38.997
36,897,820 and above	2	0.023	386,335,960	52.352
Sub Total	8,572	100.0000	737,956,402	100.000
Treasury Shares			607,200	
Total			738,563,602	100.000

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 1 APRIL 2014

(without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	Number of shares held	% of shareholdings*
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Malaysian Chinese Association	313,315,760	42.457
2.	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	73,020,200	9.895
3.	Lembaga Tabung Haji	28,667,500	3.885
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	25,679,700	3.480
5.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	25,000,000	3.388
6.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	19,863,200	2.692
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An for AIA Bhd	13,438,100	1.821
8.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for BNP Paribas Securities Services (Jersey GBP)	10,489,800	1.421
9.	Maybank Investment Bank Berhad Exempt An CLR (A) for AmanahRaya Trustees Berhad	10,000,000	1.355
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	8,300,000	1.125
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Aberdeen)	7,100,000	0.962
12.	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	4,916,100	0.666

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2014 (Cont'd)

No.	Name	Number of shares held	% of shareholdings*
13.	HSBC Nominees (Asing) Sdn. Bhd. BNP Brussels for Wisdomtree Emerging Markets Smallcap Dividend Fund	4,571,800	0.620
14.	AmanahRaya Trustees Berhad Amanah Saham Didik	3,973,700	0.538
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Mayban Inv)	3,810,000	0.516
16.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. SSBT Fund RCER for Rock Creek Emerging Markets Fund SPC, Ltd.	2,888,000	0.391
17.	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	2,886,000	0.391
18.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for BNP Paribas Securities Services (Singapore – SGD)	2,870,000	0.389
19.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (Par 2)	2,867,500	0.389
20.	AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	2,845,500	0.386
21.	CIMB Commerce Trustee Berhad Public Focus Select Fund	2,801,500	0.380
22.	Lembaga Tabung Angkatan Tentera	2,738,500	0.371
23.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,607,000	0.353
24.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	2,572,500	0.349
25.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,380,500	0.323
26.	Koperasi Jayadiri Malaysia Berhad	2,334,000	0.316
27.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. State Street Luxembourg Fund OD85 for ABN Amro Multi-Manager Funds	2,208,900	0.299
28.	Cartaban Nominees (Asing) Sdn. Bhd. GIC Pte Ltd. for Government of Singapore (C)	2,191,700	0.297
29.	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	2,002,000	0.271
30.	AMSEC Nominees (Tempatan) Sdn. Bhd. AmTrustee Berhad for Pacific Dividend Fund (UT-PM-DIV)	1,920,900	0.260
	Total	590,260,360	79.986

^{*} Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 1 April 2014.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2014 (Cont'd)

DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register of Directors' Shareholdings as at 1 April 2014)

Name	No. of Shares Held Direct Interest	% of Issued Capital*	No. of Shares Held Deemed Interest	% of Issued Capital*
Tan Sri Datuk Seri Dr Fong Chan Onn	-	-	-	-
Datuk Seri Wong Chun Wai	20,000	0.003	-	-
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	0.014	900,000#	0.122
Datin Linda Ngiam Pick Ngoh	450,800	0.061	287,000 [@]	0.039
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
Mr Lee Siang Chin	-	-	-	-
Dato' Yip Kum Fook	-	-	-	-
Mr Lew Weng Ho	-	-	-	-
Dato' Fu Ah Kiow	-	-	-	-
Dato' Sri Kuan Peng Soon	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register of Substantial Shareholders as at 1 April 2014)

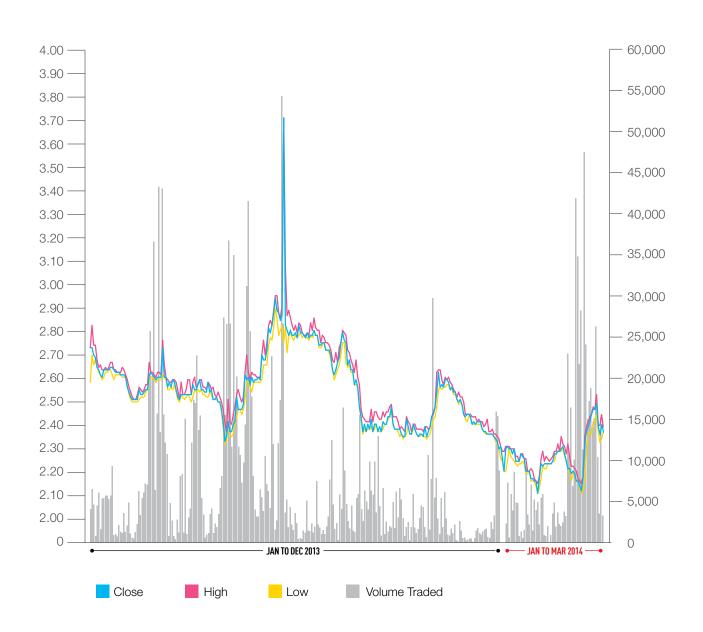
AMSEC Nominees (Tempatan) Sdn. Bhd. Malaysian Chinese Association	313,315,760	42.457	200,000^	0.027
AmanahRaya Trustees Bhd Skim Amanah Saham Bumiputra	73,020,200	9.895	-	-
Employees Provident Fund Board	39,817,800	5.396	-	-
Oversea-Chinese Banking Corporation Limited (OCBC)	-	-	37,890,800	5.135
Great Eastern Holdings Limited			37,890,800	5.135

Notes:

- * Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 1 April 2014.
- # Deemed interested in shares held by his children, by virtue of Section 134 of the Companies Act, 1965.
- @ Deemed interested in shared held by her family members by virtue of Section 122A of the Companies Act, 1965.
- ^ Held via Huaren Management Sdn. Bhd.

SHARE PERFORMANCE CHART

SHARE PRICES AND VOLUME TRADED FOR THE PERIOD 1 JANUARY 2013 TO 31 MARCH 2014



CORPORATE DIRECTORY



CORPORATE HEADQUARTERS

MENARA STAR:

15, Jalan 16/11, 46350 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel: 03-7967 1388 (General Line) 03-7966 8388 (Advertising) 03-7967 2020 (Metro Classified Run-Ons) 1300 88 7827 (Customer Service Hotline)

E-mail: corpcomm@thestar.com.my The Star Online: thestar.com.my ePaper: http://epaper.thestar.com.my

STAR MEDIA HUB:

Lot 2, Jalan Astaka U8/88 Section U8, Bukit Jelutong 40150 Shah Alam Selangor Darul Ehsan Tel: 03-7967 1388 Fax: 03-7845 4644

STAR NORTHERN HUB:

202, Jalan Sultan Azlan Shah 11900 Bayan Lepas Pulau Pinang

Tel: 04-647 3388

Fax: 04-647 3371/647 3335

PENINSULAR MALAYSIA

ALOR SETAR 2, 1st Floor, Jalan Stadium

05100 Alor Setar, Kedah Darul Aman Tel: 04-731 1864/0855 Fax: 04-733 8767

GEORGE TOWN

15, Jalan Mesjid Kapitan Keling 10200 Pulau Pinang Tel: 04-262 4361

Fax: 04-261 1410

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 8546

IPOH

8-10, Lorong Chung Thye Phin 30250 lpoh

Perak Darul Ridzuan

Tel: 05-254 445/253 0402/9669

Fax : 05-253 9669

KUALA LUMPUR

17, Lorong Ma'arof, Bangsar 59000 Kuala Lumpur

Tel: 03-2284 2920/2985/1717

Fax: 03-2284 1712

KLANG

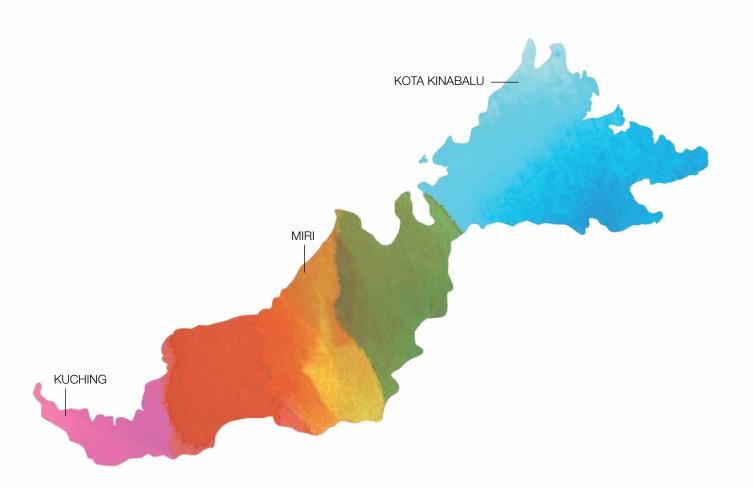
35-G, 35-1, 35-2, Lebuh Tapah Bandar Klang, 41400 Klang, Selangor Darul Ehsan Tel: 03-3344 8978 Fax : 03-3344 4584

PUTRAJAYA

No.T.01-06, Jalan P9E/1, Precinct 9,

62250 W.P. Putrajaya Tel: 03-8889 5513/5512 Fax: 03-8889 5516

CORPORATE DIRECTORY (Cont'd)



SEREMBAN

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

MELAKA

4A, 1st Floor, Jalan Hang Tuah 75300 Melaka

Tel: 06-282 1909/283 6405 Fax: 06-283 5352

JOHOR BHARU

65 & 65A, Jalan Maju Taman Maju Jaya 80400 Johor Bharu, Johor Darul Ta'zim

Tel: 07-331 5666/9745/ 2399/2433 Fax: 07-333 2435/3251

KUANTAN

14, 1st Floor, Jalan Tun Ismail25000 Kuantan,Pahang Darul MakmurTel: 09-513 1323/7415/ 515 7949

Fax: 09-514 6276

KUALA TERENGGANU

No. 137-E, 1st Floor Jalan Sultan Zainal Abidin 20000 Kuala Terengganu Terengganu Darul Iman Tel: 09-622 3280

Fax: 09-623 0025

KOTA BHARU

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

SABAH & SARAWAK

KOTA KINABALU

Lot 9, 1st Floor Block B Lintas Square, 88300 Luyang 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: 082-459 371/457/458 804

MIRI

Lot 2597, Wisma United Borneo Press Jalan Piasau, 98000 Miri, Sarawak

Tel: 085-664 924/ 019 815 6421 Fax: 085-664 924

OVERSEAS OFFICES

CHINA

No. A4103, Soho Xian Dai Cheng 88, Jianguo Road Chaoyang District Beijing 100022, China Tel: 86-10-858 03711

Tel: 86-10-858 03711 Fax: 86-10-858 03711

SINGAPORE

Star Publications (Singapore) Pte Ltd 100, Beach Road, #22-11/12, Shaw Towers Singapore 189702

Tel: 02-6292 7573/7585/6350

Fax: 02-6297 2474



PROXY FORM

CDS ACCOUNT NO. OF AUTHORISED NOMINEE

Date : ___

I/We (name of shareholder as per NRIC, in capital letters)						
IC No	./ID No/ Company No (new)	(new)				
of				(full address)		
being	a member 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)				
Meetir	(new) ng as my/our proxy to vote for me/us on my/our behalf at the 42 nd Annual (yberhub, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selango a.m. and at any adjournment thereof.	General Meeting	of the Com	cany to be held at		
	e indicate with an "X" in the spaces provided how you wish your vote to be cast. roting at his discretion.	If you do not do s	so, the proxy	will vote or abstain		
NO	RESOLUTIONS		FOR	AGAINST		
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2013 together with the Auditors' Report thereon	Resolution 1				
2.	To re-elect Dato' Yip Kum Fook who retires pursuant to Article 117 of the Company's Articles of Association	Resolution 2				
3.	To re-elect Mr Lew Weng Ho who retires pursuant to Article 117 of the Company's Articles of Association	Resolution 3				
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 4				
5.	To re-elect Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan who retires pursuant to Article 101 of the Company's Articles of Association	Resolution 5				
6.	To re-elect Dato' Sri Kuan Peng Ching @ Kuan Peng Soon who retires pursuant to Article 101 of the Company's Articles of Association	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.	Retention of Independent Non-Executive Director	Resolution 9				
10.	Authority under Section 132D of the Companies Act, 1965 for Directors to issue shares	Resolution 10				
11.	Proposed renewal of authority for the Company to purchase its own ordinary shares	Resolution 11				
	Num	nber of shares he	d:			

Notes:

Signature/Common Seal

- i) Only members registered in the Record of Depositors as at 12 May 2014 (General Meeting Record of Depositors) shall be eligible to attend the meeting in person or appoint proxy or proxies to attend and vote on their behalf.
- ii) 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.
- iii) 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.
- iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there should be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 7) 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.

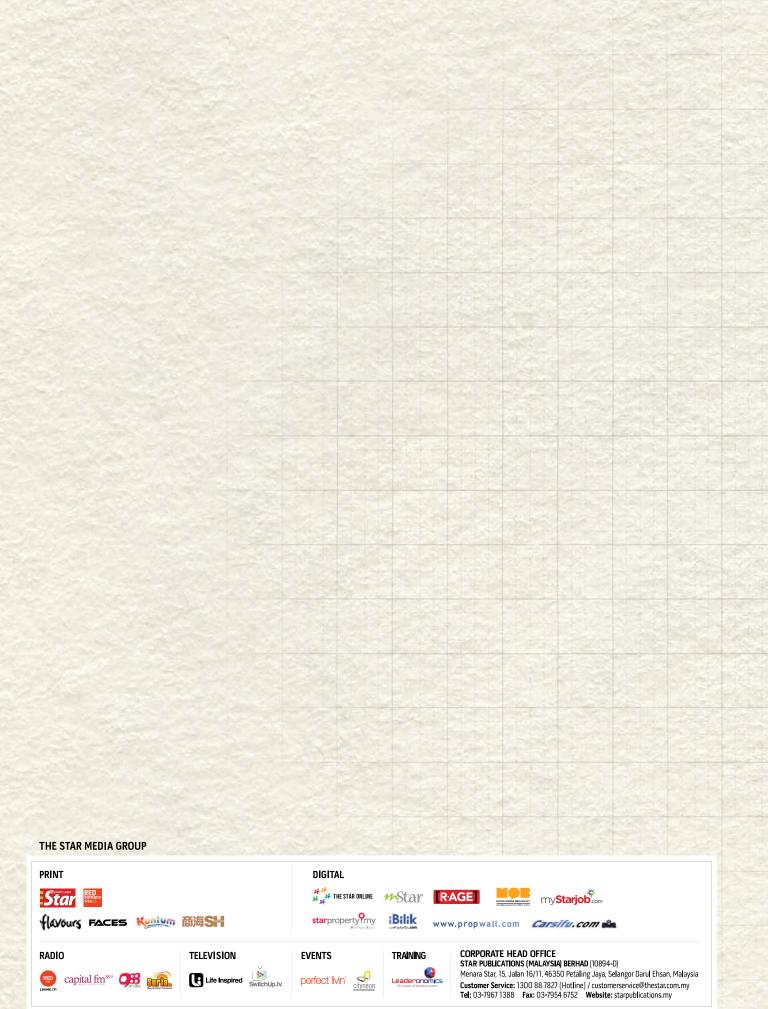
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STAMP

Company Secretary

STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)

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



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