



CHARTING THE COURS E

Star Publications (Malaysia) Berhad (10894-D)

2 0 1 4



CHARTING THE COURSE

The theme for this year's Annual Report aptly describes 2014 for The Star media group. Having taken measurable steps to refocus and redefine our business, the year saw the Group embark on several unprecedented initiatives to reinforce our position within the media landscape. This marks the beginning of a company that is focused on 'charting its own course' through bold endeavours and continuously pushing the boundaries of the industry.

After all, one thing remains true — our steadfast commitment to providing value-added solutions and our pursuit of quality and compelling content, to better serve our audiences, partners and stakeholders.

2014 LANDMARK ACHIEVEMENTS

2014 LANDMARK ACHIEVEMENTS

BRAVE VIEWS, BOLD IDEAS

C A M P A I G N

The Purpose

TO REMIND READERS THAT THE STAR HAS ALWAYS BEEN AND WILL ALWAYS BE OPEN TO BRAVE VIEWS AND BOLD IDEAS

TEMPERED BY THE VOICE OF MODERATION.



In saying so, we turned to Malaysians and asked them about the well-being of our country.

Our survey revealed a yearning amongst our readers for a more moderate state of affairs in Malaysia.

9/10

Malaysians support a moderate Malaysia

58%

think Malaysia isn't moderate enough

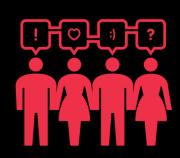
65%

believe that political, racial and religious issues are hindering a moderate Malaysia

SOURCE: THE STAR MODERATION SURVEY 2014

n = 5,939

To set the right tone, we reached out to our stable of columnists who voiced their views on a Moderate Malaysia. 'Brave Views, Bold Ideas' represents what we stand for, and is our guiding principle in ensuring our editorial content is open, rational and moderate.



Moderation.

It is not a word that belongs to a political party.

It is an ideal that belongs to all who live in Malaysia.

An approach that is about acceptance, harmony and peaceful co-existence.

Our forefathers fought for it during Merdeka.

Our children deserve to inherit a more open, rational and moderate Malaysia.

We can make it happen.

When we look beyond race, religion and cultural barriers and come together as Malaysians.

Be part of the conversation. #moderateMY #thestarMY



BRAVE VIEWS, BOLD IDEAS.

Voices of Moderation.



Keeping it open, rational and moderate. Writers, columnists and leaders of The Star speak their minds because they know that words can change perspectives. Be part of the conversation. #moderateMY #thestarMY



BRAVE VIEWS, BOLD IDEAS. **Star**



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TRANSITION TO BUSINESS VERTICALS





Growing our revenue share from the property and real estate industry

Why?

We challenge the status quo in property marketing and classifieds to help property developers and real-estate agents better market and sell their products and services.

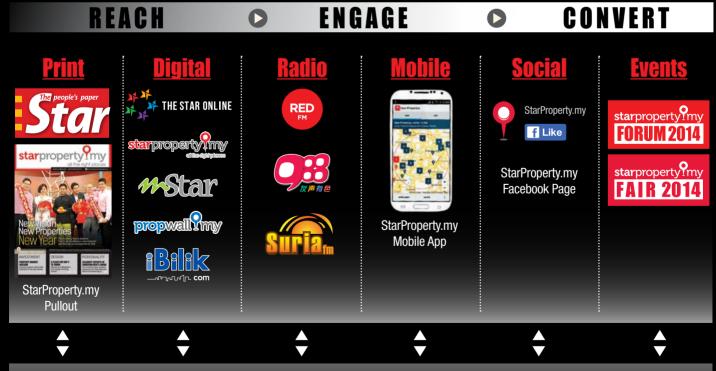
How?

We leverage our media assets, content creation capacity, and access to consumers to create a compelling and comprehensive property marketplace where supply and demand converge and transactions happen.

What?

We provide an end-to-end marketing and sales platform for property developers and real estate agents to enable them to reach and engage their target audiences, and convert these audiences into clients.

STARPROPERTY.MY'S OMNI-CHANNEL MARKETING ECOSYSTEM



CRM

Fully integrated with our omni-channel marketing ecosystem, the CRM (Customer Relationship Management) platform is designed to help property developers better manage, engage and convert the leads generated from their project marketing campaign.

StarProperty.my fairs, 186 booths in Kuala Lumpur, Selangor, Penang and Johor Bahru

StarProperty.my DUIIOUT

Launched in Jan 2014, the first dedicated property pullout is available in The Star newspaper every third Sunday of the month.



Through strategic alliances with the local real estate industry, we are able to enhance lead generation, create demand and drive conversions.

Acquired NO.3 player in market PROPMALL

- Over 20,000 agents members 3,125 paying agents
- 10,000 active members
- Over 250,000 consumer members
- Integration to StarSearch print classifieds

BY LEVERAGING VARIOUS PLATFORMS OF THE STAR MEDIA GROUP, BOTH STARPROPERTY.MY AND PROPWALL.MY HAVE SUCCESSFULLY MAXIMISED MULTIPLE TOUCHPOINTS TO BOOST REVENUE GROWTH.



TO BE A LEADING AND INNOVATIVE MEDIA GROUP WITH VARIOUS TOUCHPOINTS TO CONNECT WITH THE PEOPLE.

- TO PROVIDE RELEVANT, ACCURATE AND RELIABLE INFORMATION
- TO BE THE VOICE AND CONSCIENCE OF THE PEOPLE
- TO INSPIRE BOTH THE INDIVIDUAL AND THE COUNTRY TO SEEK CONTINUOUS SELF-IMPROVEMENT
- TO BE A CARING MEDIA GROUP AND RESPONSIBLE CORPORATE CITIZEN



CONTENTS



NOTICE OF ANNIIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE

Annual General Meeting of Star Publications (Malaysia) Berhad ("the Company") will be held at the Cybertorium, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul **Ehsan on Monday, 18 May** 2015 at 10.00 a.m. for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Directors' and Auditors' Reports 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:

Datuk Seri Wong Chun Wai

RESOLUTION 2

Dato' Dr Mohd Aminuddin bin Mohd Rouse RESOLUTION 3

iii) Datin Linda Ngiam Pick Ngoh

RESOLUTION 4

3. To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din, who is retiring pursuant to Section 129(6) of the Companies Act, 1965

RESOLUTION 5

4. To approve the Directors' fees of up to RM606,000 for the financial year ended 31 December 2014

RESOLUTION 6

5. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration

RESOLUTION 7

SPECIAL BUSINESS

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

6. 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 8

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. ORDINARY RESOLUTION

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

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

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

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

- (aa) cancel all the shares so purchased; and/or
- (bb) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities: and/or
- retain part thereof as treasury shares and cancel the (cc) 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 9

8. ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT, pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company and its subsidiaries ("Star Group") be and are hereby authorised to enter into any of the recurrent transactions of a revenue or trading nature as set out in Section 2.3 of Part B of the Circular to Shareholders dated 24 April 2015 with the related party mentioned therein which are necessary for the Star Group's day-to-day operations, subject further to the following:-

whichever is earlier.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) the transactions are in the ordinary course of business on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- (ii) disclosure of the aggregate value of the transactions of the Proposed Shareholders' Mandate conducted during the financial year will be disclosed in the Annual Report for the said financial year,

AND THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but must not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by the Company in a general meeting,

whichever is earlier:

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

RESOLUTION 10

9. SPECIAL RESOLUTION

PROPOSED CHANGE OF NAME FROM STAR PUBLICATIONS (MALAYSIA) BERHAD TO STAR MEDIA GROUP BERHAD

"THAT the name of the Company be changed from STAR PUBLICATIONS (MALAYSIA) BERHAD to STAR MEDIA GROUP BERHAD with effect from the date of Certificate of Incorporation of Change of Name of Company to be issued by the Companies Commission of Malaysia and that all references in the Memorandum and Articles of Association of the Company in relation to the name STAR PUBLICATIONS (MALAYSIA) BERHAD, wherever the same may appear, shall be deleted and substituted with STAR MEDIA GROUP BERHAD.

AND THAT. the Directors of the Company be and are hereby authorised to give effect to the Proposed Change of Name with full power to assent to any condition, modification, variation and/ or amendment as may be required by the relevant authorities."

RESOLUTION 11

10. 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 24 April 2015

NOTES:

- i) Only members registered in the Record of Depositors as at 8 May 2015 (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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution No. 8 - Proposed authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

The Company had, during its Forty-Second Annual General Meeting ("AGM") held on 21 May 2014, 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. 8 proposed under item 6 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. 9 - Proposed Renewal of Authority For Star Publications (Malaysia) Berhad to Purchase its Own **Shares**

The explanatory notes on Resolution No. 9 are set out in the Statement to Shareholders dated 24 April 2015 accompanying the Company's Annual Report for year 2014.

Ordinary Resolution No. 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a **Revenue or Trading Nature**

The explanatory notes on Resolution No. 10 are set out in the Circular to Shareholders dated 24 April 2015 accompanying the Company's Annual Report for year 2014.

Special Resolution - Proposed Change of Name from Star Publications (Malaysia) Berhad to Star Media Group Berhad

The Special Resolution proposed, if passed, will be effective from the date of the Certificate of Incorporation on Change of Name of Company (Form 13) issued by the Companies Commission of Malaysia.

The Proposed Change of Name is to strengthen the Group's brand image and more accurately reflect the Company and its subsidiaries' businesses.

FINANCIAL CALENDAR

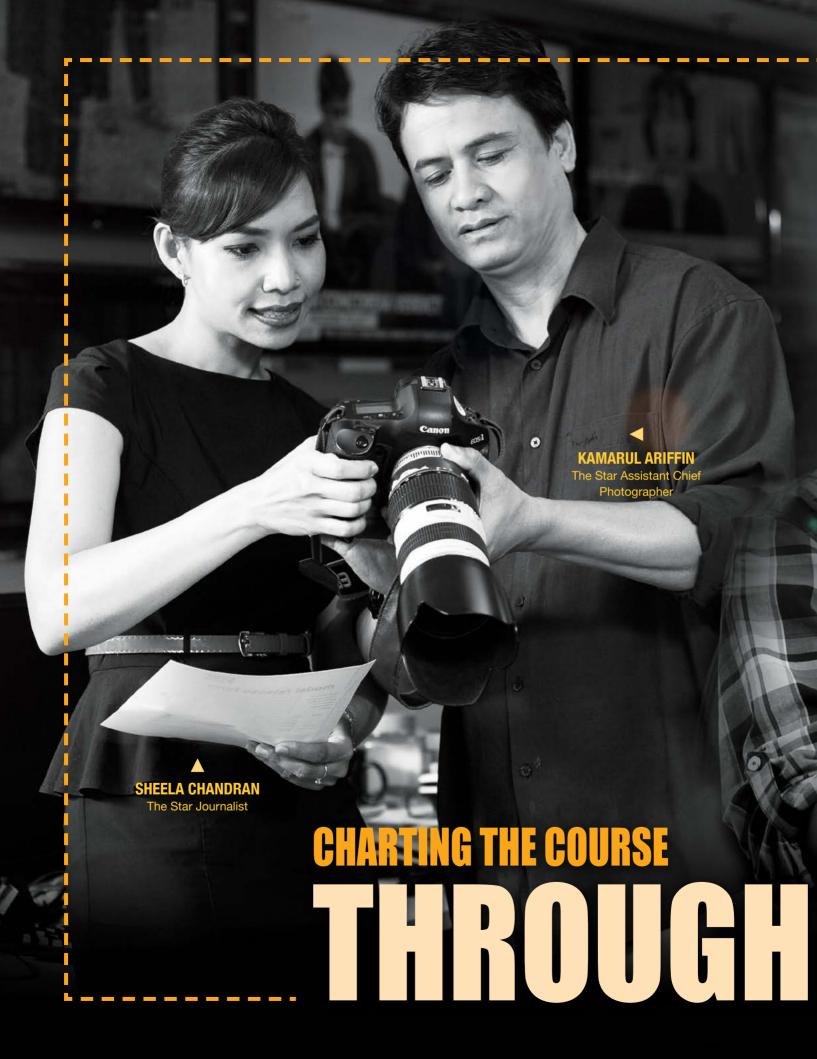
FINANCIAL YEAR 1 JANUARY 2014 TO 31 DECEMBER 2014

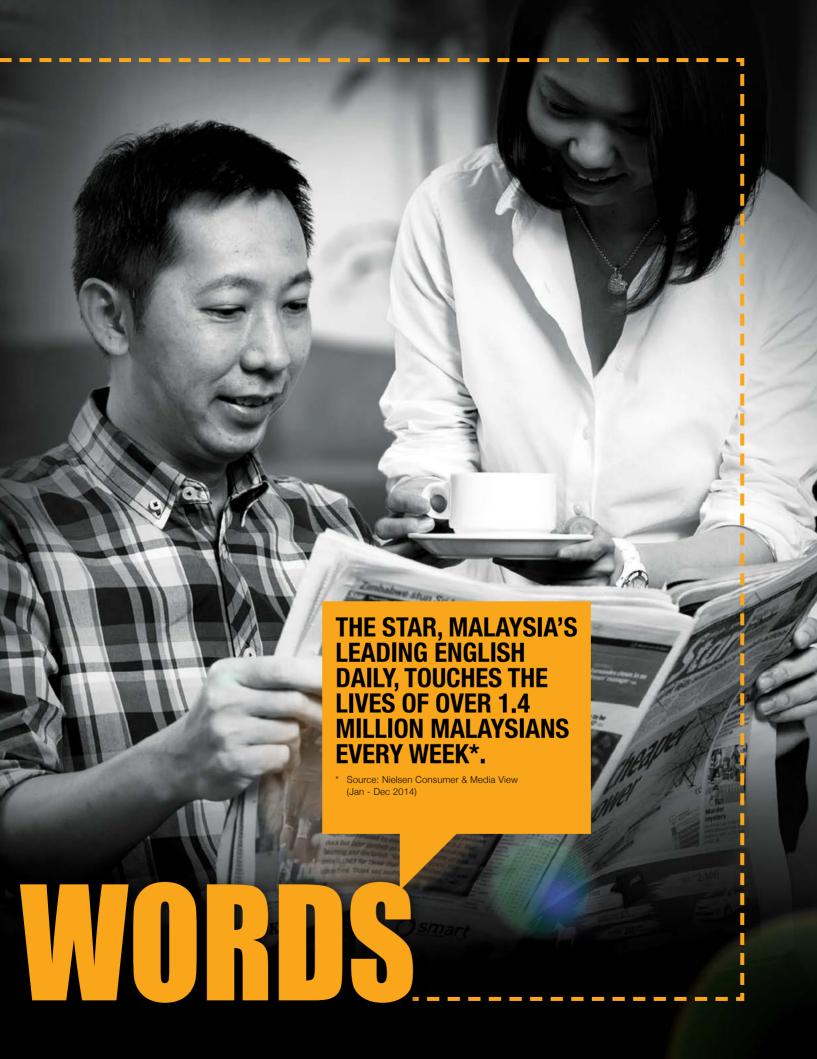
ANNOUNCEMENT OF 2014 PRELIMINARY RESULTS		
First quarter	announced	21 May 2014
Second quarter	announced	18 August 2014
Third quarter	announced	19 November 2014
Fourth quarter	announced	27 February 2015
DIVIDEND		
First Interim and Special (6.0 sen per ordinary share, single tier, and a special interim dividend of	declared	18 August 2014
3.0 sen per ordinary share, tax exempt)	entitlement date	26 September 2014
	paid on	17 October 2014
Second Interim and Special	declared	27 February 2015
(6.0 sen per ordinary share, single tier, and a special interim dividend of 3.0 sen per ordinary share, tax exempt)	entitlement date	31 March 2015
	paid on	17 April 2015
ISSUE OF 2014 ANNUAL REPORT		24 April 2015
ANNUAL GENERAL MEETING		18 May 2015



INSPIRING
THE NATION

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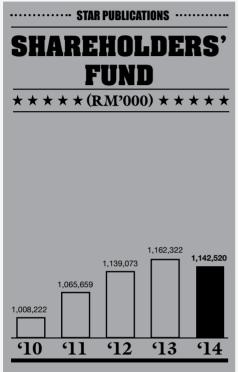


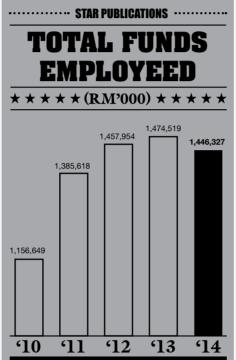
GROUP'S FIVE-YEAR SUMMARY

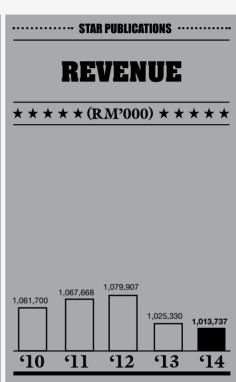
		As	at 31 December		
CONSOLIDATED STATEMENT OF	2010	2011	2012	2013	2014
FINANCIAL POSITION	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed assets *	592,647	532,517	543,554	515,298	530,351
Other assets *	124,601	169,326	309,391	320,528	238,712
Non current assets held for sale	24,120	32,418	-	-	-
Net current assets	415,281	651,357	605,009	638,693	677,264
	1,156,649	1,385,618	1,457,954	1,474,519	1,446,327
Share capital	738,564	738,564	738,564	738,564	738,564
Treasury shares	(225)	(225)	(583)	(1,633)	(1,633)
Share option reserve	536	854	1,040	1,172	817
Available-for-sale-reserve	100	233	261	-	-
Foreign exchange fluctuation reserve	20,721	23,972	22,361	21,116	24,107
Retained earnings	248,526	302,261	377,430	403,103	380,665
Shareholders' funds	1,008,222	1,065,659	1,139,073	1,162,322	1,142,520
Non-controlling interest	27,335	40,195	31,410	31,877	33,807
Long term and deferred liabilities	121,092	279,764	287,471	280,320	270,000
Total funds employed	1,156,649	1,385,618	1,457,954	1,474,519	1,446,327
CONSOLIDATED STATEMENT OF		Year e	ended 31 Decemb	per	
PROFIT OR LOSS AND OTHER	2010	2011	2012	2013	2014
COMPREHENSIVE INCOME	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,061,700	1,067,668	1,079,907	1,025,330	1,013,737
Profit before tax	258,807	250,531	259,648	192,586	153,421
Tax expense	(68,639)	(65,219)	(58,906)	(53,170)	(41,388)
Profit after tax	190,168	185,312	200,742	139,416	112,033
Non-controlling interest	(5,227)	1,353	7,357	3,460	(617)
Profit after tax attributable to shareholders	184,941	186,665	208,099	142,876	111,416
Dividends	(427,403)	(132,930)	(132,930)	(110,738)	(132,832)
Retained earnings for the year	(242,462)	53,735	75,169	25,673	(22,438)

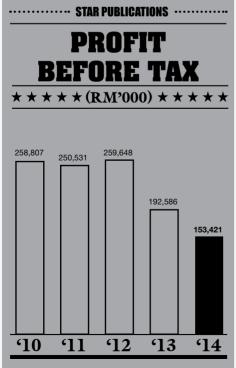
^{*} Comparative figures for 2010 and 2011 have been restated in accordance with MFRS 1 First-time Adoption of Malaysia Financial Reporting Standards.

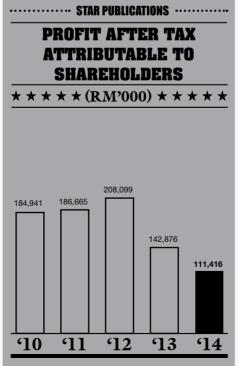
GROUP'S FIVE-YEAR SUMMARY (CONT'D)











GROUP'S FINANCIAL HIGHLIGHTS

		2010	2011	2012	2013	2014
		RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		1,061,700	1,067,668	1,079,907	1,025,330	1,013,737
Profit before tax		258,807	250,531	259,648	192,586	153,421
Profit after tax attributable to shareholders		184,941	186,665	208,099	142,876	111,416
Paid-up Capital		738,564	738,564	738,564	738,564	738,564
Shareholders' funds		1,008,222	1,065,659	1,139,073	1,162,322	1,142,520
FINANCIAL RATIOS		2010	2011	2012	2013	2014
Revenue growth	%	9.0	0.6	1.1	(5.1)	(1.1)
Net earnings per share #	sen	25.04	25.28	28.18	19.36	15.10
Return on shareholders' funds	%	18.3	17.5	18.3	12.3	9.8
Dividend per share - Gross	sen	73.6	18.0	18.0	15.0	18.0
Net assets per share ^	RM	1.37	1.44	1.54	1.58	1.55

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan (Independent Non-Executive Director & Chairman)

Dato' Sri Kuan Peng Ching @ Kuan Peng Soon

(Non-Independent Non-Executive Director & Deputy Chairman)

Datuk Seri Wong Chun Wai

(Group Managing Director & Chief Executive Officer)

Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din

(Executive Director)

Mr Lee Siang Chin

(Senior Independent Non-Executive Director)

Datin Linda Ngiam Pick Ngoh

(Independent Non-Executive Director)

Dato' Dr Mohd Aminuddin bin Mohd Rouse

(Non-Independent Non-Executive Director)

Dato' Yip Kum Fook

(Independent Non-Executive Director)

Mr Lew Weng Ho

(Independent Non-Executive Director)

AUDIT COMMITTEE

Mr Lee Siang Chin* (Chairman)

Dato' Yip Kum Fook* (Member)

Mr Lew Weng Ho* (Member)

NOMINATION COMMITTEE

Dato' Yip Kum Fook* (Chairman)

Mr Lee Siang Chin* (Member)

Dato' Sri Kuan Peng Soon (Member)

REMUNERATION COMMITTEE

Dato' Sri Kuan Peng Soon (Chairman)

Dato' Dr Mohd Aminuddin bin Mohd Rouse (Member)

Datin Linda Ngiam Pick Ngoh* (Member)

FINANCE COMMITTEE

Dato' Fu Ah Kiow* (Chairman)

Dato' Sri Kuan Peng Soon (Member)

Dato' Dr Mohd Aminuddin bin Mohd Rouse (Member)

Datin Linda Ngiam Pick Ngoh* (Member)

Mr Lee Siang Chin* (Member)

* Independent Non-Executive Director

SECRETARIES

Ong Wei Lymn (MAICSA 0826394) (Group Company Secretary)

Hoh Yik Siew (MAICSA 7048586) (Assistant Company Secretary)

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 (Company No. 653397-X)

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 31 MARCH 2015



Star Publications (Malaysia) Berhad

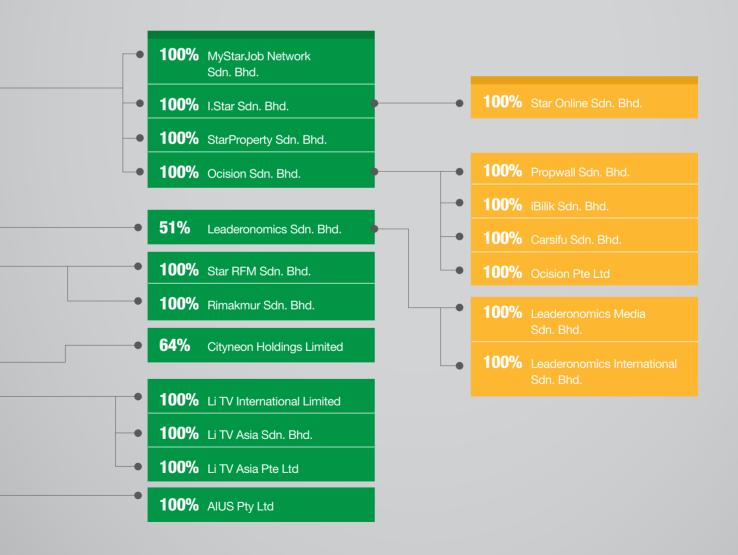
50% 701Panduan Sdn Bhd (In Members' Voluntary Liquidation)

80%	Capital FM Sdn. Bhd.
100%	Magnet Bizz Sdn. Bhd.
100%	Eighth Power Sdn. Bhd.
100%	I.Star Events Sdn. Bhd.
100%	Venus Agency Sdn. Bhd.
100%	Jana Multimedia Sdn. Bhd.

90%	I.Star Ideas Factory Sdn. Bhd.	
100%	Star MediaWorks Sdn. Bhd.	
100%	Star Papyrus Printing Sdn. Bhd.	
100%	Asian Center For Media Studies Sdn. Bhd.	
100%	Impian Ikon (M) Sdn. Bhd.	
100%	Star Media Radio Group Sdn. Bhd.	
100%	Acacia Forecast (M) Sdn. Bhd.	
100%	Laviani Pte Ltd	(
51%	Li TV Holdings Limited	
100%	Star Publications (Singapore) Pte Ltd	
100%	Excel Corporation (Australia) Pty Ltd	

GROUP STRUCTURE

AS AT 31 MARCH 2015 (CONT'D)



BOARD OF DIRECTORS

















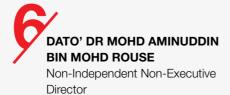
BOARD OF DIRECTORS (CONT'D)













DIRECTORS' PROFILE



Dato' Fu was appointed as an Independent Non-Executive Director of Star on 27 February 2014 and re-designated as the Chairman of Star on 21 May 2014. He is also the Chairman of Finance Committee of the Company.

He holds a Bachelor of Science (Honours) degree in Physics from the University of Malaya and a Master's degree in Industrial Engineering and Management Science from the Cranfield University, United Kingdom.

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. Dato' Fu is currently the chairman of Tiong Nam Logistics Holdings Berhad and Fitters Diversified Berhad. He is also Chairman of the Board of Trustees of Star Foundation.

He attended all the six (6) board meetings held during the financial year ended 31 December 2014 since his appointment to our Board in February 2014.

Dato' Fu 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 ten (10) years.

Dato' Sri Kuan was appointed as a Non-Independent Non-Executive Director of Star on 27 February 2014 and re-designated as Deputy Chairman on 21 May 2014. He is also the Chairman of Remuneration Committee and a member of Nomination and Finance Committees of the Company.

Dato' Sri Kuan 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 is also on the Board of Trustees of Star Foundation.

He attended five (5) out of six (6) board meetings held during the financial year ended 31 December 2014 since his appointment to our Board in 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 ten (10) years.





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, started 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 the seven (7) board meetings held during the financial year ended 31 December 2014.

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 ten (10) years.

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 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 and a trustee of Star Foundation.

Tan Sri Datuk Seri Kamal attended all the seven (7) board meetings held during the financial year ended 31 December 2014.

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 ten (10) years.





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 of the Company.

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 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 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 attended all seven (7) board meetings held during the financial year ended 31 December 2014.

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 ten (10) years.

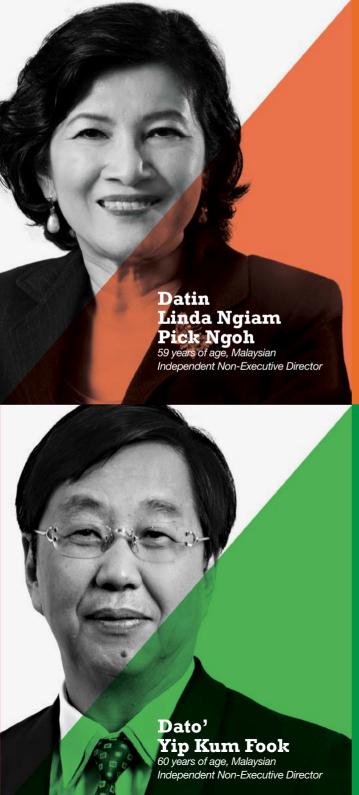
Dato' Dr Mohd Aminuddin was appointed as a Non-Executive Director of Star on 23 July 1997. He is currently a member of the Finance and Remuneration Committees of the Company. He obtained his Bachelor of Science (Honours) in Biochemistry from the University of Malaya in 1969 and his PhD in Agricultural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

Currently, Dato' Dr Mohd Aminuddin is a director of Ajiya Bhd, Tanco Holdings Bhd, Karambrunai Corp Bhd, ManagePay Systems Berhad and a trustee of Star Foundation. He attended all the seven (7) board meetings held during the financial year ended 31 December 2014. 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 ten (10) years.





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 the seven (7) board meetings held during the financial year ended 31 December 2014.

Datin Linda Noiam 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 ten (10) years.

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 seven (7) board meetings held during the financial year ended 31 December 2014.

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 ten (10) years.



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.

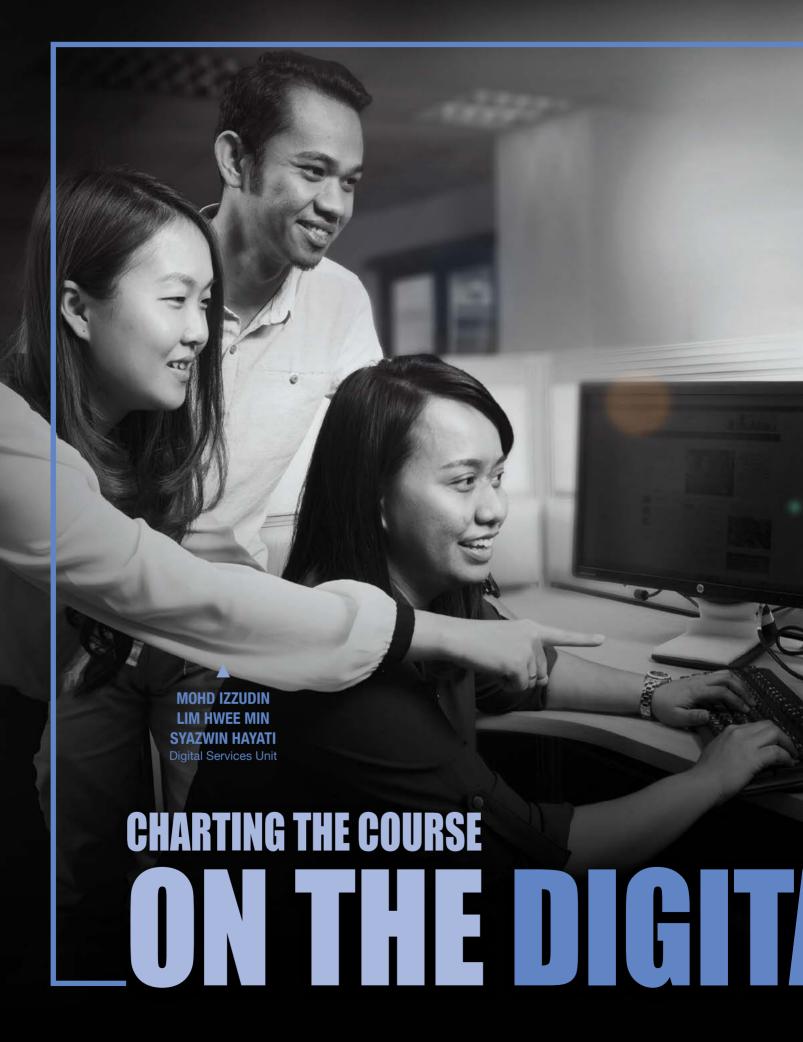
Mr Lew is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and a member of the Malaysian Institute of Accountants. Mr. Lew joined Coopers & Lybrand in 1978 after he completed his articleship in Dublin, Ireland. In 1981, he took up the position of Chief Accountant in Antah 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, Mr Lew is a financial advisor and business consultant and Non-Executive Chairman of Cityneon Holdings Limited, Singapore.

He attended all seven (7) board meetings held during the financial year ended 31 December 2014.

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 ten (10) years.







CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS.

It has been a challenging year for the media industry as a whole. Nevertheless, the Group has remained steadfast in charting its own course towards creating a dynamic and innovative media group that is able to deliver long term and sustainable growth to its shareholders and stakeholders at large.

On this reassuring note and on behalf of the Board of Directors of Star Publications (Malaysia) Berhad, I am pleased to present to you the Company's Annual Report and Audited Consolidated Financial Statements for the financial vear ended 31 December 2014.



CHANGE IN BOARDROOM

As I pen my inaugural statement in this Annual Report, my fellow Board members and I would like to take the opportunity to thank Tan Sri Datuk Seri Dr. Fong Chan Onn for his invaluable leadership and contribution throughout his tenure as the Company's Non-Independent and Non-Executive Director and Chairman from 26 May 2011 to 21 May 2014.

Members of the Board of Directors are also looking forward to working closely with Dato' Sri Kuan Peng Soon, who has assumed the Company's Deputy Chairman role since 21 May 2014. Dato' Sri Kuan's experience and expertise in the political and corporate arena will be vital in a Board that is geared to lead the Group to greater heights of success.

INDUSTRY TRENDS AND DEVELOPMENTS

2014 was a difficult year for the media and advertising industry. The global economy was still recovering in spurts and starts while the domestic economy was impacted by concerns in relation to the Government's fiscal and monetary tightening initiatives. As a result, businesses in Malaysia were more cautious when it came to investing in advertising and promotional activities. The situation was exacerbated by the two airline tragedies. As a mark of respect, many private and public corporations and government agencies cancelled or significantly scaled down their festive promotions and celebratory initiatives planned during the year.

Reflecting this industry landscape, the Malaysian advertising market registered an increase of only 3.7% in total rate card spending to RM14.1 billion in 2014 compared with RM13.6 billion a year ago, according to Nielsen Media Research. In comparison, total advertising expenditure jumped by 19% between 2012 and 2013.

The marginal growth recorded in 2014 was largely due to Pay TV, which rose by 10.3% in total spending compared with a year ago. In the same period, total advertising spent for newspapers increased by only 1.7% to RM4.65 billion against RM4.57 billion last year.

In terms of circulation, the print version of The Star saw a slight increase of 0.6% to 291,068 copies from the period of January to June 2014 compared to 289,362 copies registered within the same period last year, as verified by the Audit Bureau of Circulations. Meanwhile. Nielsen Consumer & Media View reported that The Star and Sunday Star's weekly readership in 2014 remained strong at 1.432.000 and 948.000 respectively.

On the digital front, The Star further extended its lead in digital replica circulation against its competitors in Malaysia. Both The Star and Sunday Star saw a 64% jump in its ePaper subscription from the preceding audit cycle, reaching 81,367 and 81,498 copies respectively. This shows that the brand remains the newspaper of choice amongst the ever-growing consumers of mobile digital platforms.



FINANCIAL PERFORMANCE

The Group's financial performance reflected the unfavorable operating conditions within the media and advertising industry during the year under review.

The Group's revenue for the financial year ended 31 December 2014 declined marginally by 1.1% to RM1.01 billion as compared to last year. The Group's profit before tax, however, fell by 20.3% year-on-year due to higher operating expenses that were primarily related to a Voluntary Separation Scheme (VSS), impairment losses on goodwill, radio licence, film rights and investment in associates, which collectively amounted to RM37.53 million.

If these VSS expenses and impairment losses are to be excluded, the Group profit before tax is lower by only 0.8% to RM190.95 million as compared to RM192.59 million in 2013.

DIVIDENDS

The Board of Directors had on 27 February 2015 declared a single tier second interim dividend of 6.0 sen per ordinary share and a special tax exempt dividend of 3.0 sen per ordinary share in respect of the financial year 2014. These dividends will be payable to the shareholders on 17 April 2015.

Together with the single tier first interim dividend of 6.0 sen per share and the special tax exempt dividend of 3.0 sen per share that was paid on 17 October 2014, total dividends that were paid out to shareholders amounted to 12.0 sen per ordinary share under the single tier tax system and 6.0 sen per ordinary share under the special tax exempt dividend for the financial year ended 31 December 2014.

BUSINESS DEVELOPMENT AND OPERATIONS

The media industry is constantly changing. With the onslaught of new and diverse media platforms and regularly shifting media consumption trends, the Group is mindful of the need to adapt quickly and innovate effectively in order to stay ahead of the curve.

During the year under review, the Group remained on course towards strengthening its capabilities and offerings in four core areas, namely, Print and Digital, Radio Broadcasting, Events & Exhibition; and Television Channel, with a view to provide quality and value-for-your-investment solutions to the market at large.

At the same time, the Group is also continuously reviewing its business model to ensure that its investments are able to deliver returns that can contribute towards sustainable growth and enhanced shareholders value.

PRINT AND DIGITAL

Throughout 2014, our print portfolio continued to undergo enhancements in terms of design, layout and content in order to stay "fresh" and appealing to our consumers. Most notable was the transformation of the Sunday Star, which spotted a different look with its new layout, fonts and logo as well as updated sections and content. The publication now offers a mini-pullout called 15 minutes of Fun that comprises comics, puzzles and horoscope that are packed in a more interactive and engaging manner.

It is important for The Star, being the primary revenue generator of the Group, to remain at the forefront of the newspaper industry be it in terms of quality management, journalistic professionalism or social responsibility. On this score, 2015 saw The Star adding several new feathers to its cap when it bagged the inaugural Environmental Journalism Award, under the prestigious Prime Minister's Hibiscus Award, for its reports on environmental issues. In addition, The Star also took home the Silver Award in the Media category at the Putra Brand Awards. The Star was the only print media to win in this category. The Star also won the Main Prize and a Consolation Prize at the Health Media Awards 2014 for its articles on health issues.

In a bid to streamline our product offerings, the Group had on December 2014 completed the disposal of its entire 83.6% stake in Red Tomato Media Sdn Bhd, which publishes the Red Tomato free Chinese weekly newspaper in the Klang Valley.





mStar Online Executive Editor

Rozaid Abdul Rahman introducing
the newly revamped site at the
launch event

2014 was the year where we made great strides in our digital products. Our flagship, The Star Online, grew by 32% in unique visitors compared to 2013. In March 2014, it hit a record high of over 7 million unique visitors with close to 60 million pages read (source: Google Analytics 2013 vs 2014). Our Malay content portal mStar was revamped in March 2014 to much success. Since the revamp, it has grown month-on-month to reach 671,000 unique visitors by December 2014. This marked a 69% growth compared to January 2014 (Google Analytics 2014, January and December).

The year under review also saw a consolidation and focus within our digital classified products into two Business Units (BUs), namely Property and Automotive. Our property classifieds portals, *Propwall*, *StarProperty* and *iBilik* have, on a consolidated basis, put us at the Number Two spot in terms of Comscore unique visitor traffic ranking. Meanwhile, our automotive classifieds portals, *Automania*, *StarMotoring* and *CarSifu*, were at the Number Four spot. Both BUs represent our endeavours to deliver comprehensive solutions to our clients in the property and automotive sectors.

RADIO BROADCASTING

988 solidified its position as one of the nation's leading stations for the Chinese market. Throughout 2014, the station registered a total of 1.5 million listeners per week and its late evening show remains the most-listened-to show amongst its competitors with a total of 400,000 people tuning-in between 10 p.m. to 1 a.m. weekly. It is also noteworthy that 988 remains the only radio station in Malaysia whose four highly popular announcers have authored their own individual books.

RED FM's rebranding exercise in 2013, which unveiled a new logo, tagline, *Living it!* and website along with a new team of talented announcers, has touched a chord amongst consumers as the station quadrupled its number of listeners to 406,000 in 2014.

SuriaFM, confident of its line-up of credible announcers, took the bold step of differentiating itself from its competitors with a new positioning statement of "Intelligent Tapi Selamba"; providing its 2 million listeners, an entertaining radio channel with substance.

Since expanding into Penang in March 2014, Capital FM is growing its unique positioning as the nation's only female-targeted station, appealing to discerning listeners.





Energy Efficiency Pavillion by Cityneon

EVENTS

Cityneon Holdings Limited (Cityneon), the Group's subsidiary company that specialises in providing creative solutions in interior architecture, events, exhibitions and experiential environment secured several significant projects during the year. In 2014, Cityneon was instrumental in designing and developing the Energy Efficiency Pavilion as part of the 2013 Ithra Knowledge Program. The pavilion, which showcased the importance of energy conservation, became part of a travelling exhibition that covered four cities throughout Saudi Arabia including Dhahran, Jeddah, Al Hassa and Riyadh.

StarProperty.my Fair 2014 at Tropicana City Mall

I.Star Ideas Factory Sdn. Bhd (Perfect Livin' and Perfect Lifestyle), the Group's home and lifestyle exhibition specialist, organised a total of fifteen exhibitions in key urban centers including Kota Kinabalu, Penang, Kuala Lumpur, Kuching, Kuantan and Johor throughout 2014. These exhibitions, which have become well known for featuring some of the latest consumer technologies and home and lifestyle products, drew an average of 80,000 visitors per event.

The Star Business Awards (SOBA) held its fifth consecutive edition in 2014. Established to recognise up-and-coming entrepreneurs who have contributed positively to the Malaysian economy, the SOBA has become an annual platform that inspires the spirit of entrepreneurship and innovation.

The Star Property Fair, which took place in November 2014, saw more than 40 exhibitors participating in the three-day event, making it one of the largest property exhibitions in that year.

The 26th The Star Education Fair were organised in Kuala Lumpur and Penang during the year. Known as Malaysia's pioneer education fair, the Education Fair has grown from strength to strength since its inception in 1987 with over 500 local and international education institutions being featured last year.





- A bevy of personalities at LITV's Tastemakers
 Appreciation Night
- Launch of The Star Pitt St. at Jalan Masjid Kapitan Keling, George Town

In our bid to inspire Malaysians to embrace a healthier lifestyle, we spearheaded *Health Fair KL* with our corporate partner, Great Eastern Life. Over 60 exhibitors, which consisted of a combination of health institutions and non-governmental organisations, took part in the event which is into its third year.

We continued with our existing youth-related events that are aimed to benefit young Malaysians. These initiatives include, *Mighty Minds*, a competition that promotes general knowledge awareness and mental acuity; *CHEER*, the cheerleading competition to promote sports and fitness; and *BRATs*, which harnesses inner talents and passion for journalism.

TELEVISION CHANNEL

Life Inspired (LITV) introduced a range of new programmes in 2014 to maintain a competitive edge in the market. These include a beautiful travelogue series called 'Jason Down Under' and Hong Kong Tourism Board's sponsored campaign series called 'My Time for Hong Kong'. In addition, the new LITV's original programme, 'Tastemakers', which pays tribute to Malaysia's homegrown success stories, celebrated its second successful season by featuring lifestyle pioneers in Singapore.

LITV also showcased a programme called 'It's About Time', which indulges in the heritage and art of watch-making in conjunction with Baselworld 2014, the world's leading watch and jewellery showcase.

LEADERONOMICS

Our leadership development subsidiary, Leaderonomics Sdn. Bhd, exceeded revenue and client base targets in 2014. During the year, the company managed to secure its first client in Sabah while registering an increase in the number of clients in Johor and Singapore. The company has also secured businesses as far as Papua New Guinea. As at the end of 2014, Leaderonomics has played a role in the training and development of some 9,689 corporate leaders.

The social enterprise's Campus team has also secured deals with universities and foundations to develop more than 3,000 students in 2014, with its reach extending to Australia and Japan. Its Youth Leadership Clubs, in partnership with ECM Libra Foundation and Epsom College in Malaysia, have successfully expanded to additional schools. Leaderonomics also launched the SPARK Leadership Programme, a 10-day fully-sponsored leadership development camp for 100 underprivileged youth aged 13 to 16 selected from all over Malaysia.

On the media front, it continues to strengthen its reputation as an employer branding partner, collaborating with an even wider client base to design and execute employer branding initiatives both in print and online at its newly launched leadership portal leaderonomics.com.



Breakfast show announcers from RED FM, 988, SuriaFM and Capital FM during the 'Uniting in Hope for MH370 #KamilahMalaysia' segment



Inspection of essential items donated by members of the public in aid of the East Coast flood victims

CORPORATE RESPONSIBILITY ("CR")

Sustainable business practices make good business sense. In line with this conviction, the Group and its subsidiary companies have and will continue to put in place processes or carry out activities that are reflective of best practices embraced by progressive and socially responsible corporate citizens throughout the world. Our commitment towards CR is in line with Bursa Malaysia's framework that centers on four key pillars, namely Community, Environment, Marketplace and Workplace.

One of the Group's notable initiatives aimed at benefiting the community at large was our effort to bring solace to those who have been impacted by the disappearance of Malaysian Airlines MH370. Leveraging on our mass media platform to reach out to all Malaysians, the Star Radio Group brought together its breakfast show announcers from four stations - RED FM, 988, SuriaFM and Capital FM - for a special 'Uniting in Hope for MH370 #KamilahMalaysia' segment. The response was truly inspiring, as Malaysians from all walks of lives came together in the spirit of solidarity to overcome this difficult period.

The Star collaborated with the Malavsian Red Crescent Society and Firefly to collect donations for victims of the severe floods that hit several parts of the country at the end of 2014. Our charity arm, Star Foundation, also chipped in to aid flood victims, channelling some funds to the Malaysian Red Crescent Society and the MCA Crisis Relief Squad. In addition to monetary donations, The Star, which had opened a collection centre at its lobby at Menara Star, was able to collect a significant number of essential items from good-hearted Malaysians.

In an effort to preserve the country's rich heritage and to cultivate an appreciation of fine arts, The Star's former headquarters within a historical three-storey building in Penang has been refurbished to become Penang's arts and culture hub. The Star Pitt Street now features an exhibit of Penang's rich history and a multipurpose exhibition area. Furthermore, the auditorium at the top floor of the building is now home to the Penang Philharmonic Orchestra.

In 2014, Star Foundation donated a total of RM915,000 to non-profit organisations nationwide, with particular emphasis on registered welfare entities that help the disadvantaged in our society.

A comprehensive report of the CR initiatives undertaken by the Group in 2014 can be found on page 82 to page 97 of this Annual Report.

OUTLOOK

The Malaysian Institute of Economic Research forecasted the Malaysian economy to grow at a slower pace of 5% in 2015 as compared to the expected 5.5% in 2014. The domestic economy is expected to be impacted by lower crude oil prices, weaker Ringgit and the uncertainties relating to the implementation of the Goods and Services Tax in April 2015. As a result, consumer and business confidence may be affected, which will in turn impact the media industry and advertising market.

While the Group is mindful of the difficult path that lies ahead, we are confident that the ongoing steps to refocus and redefine our business model have made the Group stronger, more resilient and in a better position to chart positive growth in the foreseeable future. Our journey towards creating a viable, diverse and successful media group is also reflected in the proposal in February 2015 to change its name from Star Publications (Malaysia) Berhad to Star Media Group Berhad. This will be subjected to shareholders approval in the forthcoming Annual General Meeting.

Moving forward, we plan to grow our existing stable of media brands and solutions effectively as well as efficiently. We will continue to be focused on offering quality content via the right media platforms in order to grow audience base. Simultaneously, we will work closely with brands and media agencies to create solutions that meet, if not surpass expectations.

All in all, the Board of Directors and the Senior Management Team intend to work cohesively to ensure that the Group will do its utmost to achieve a satisfactory performance for the financial year ending 31 December 2015.

APPRECIATION

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

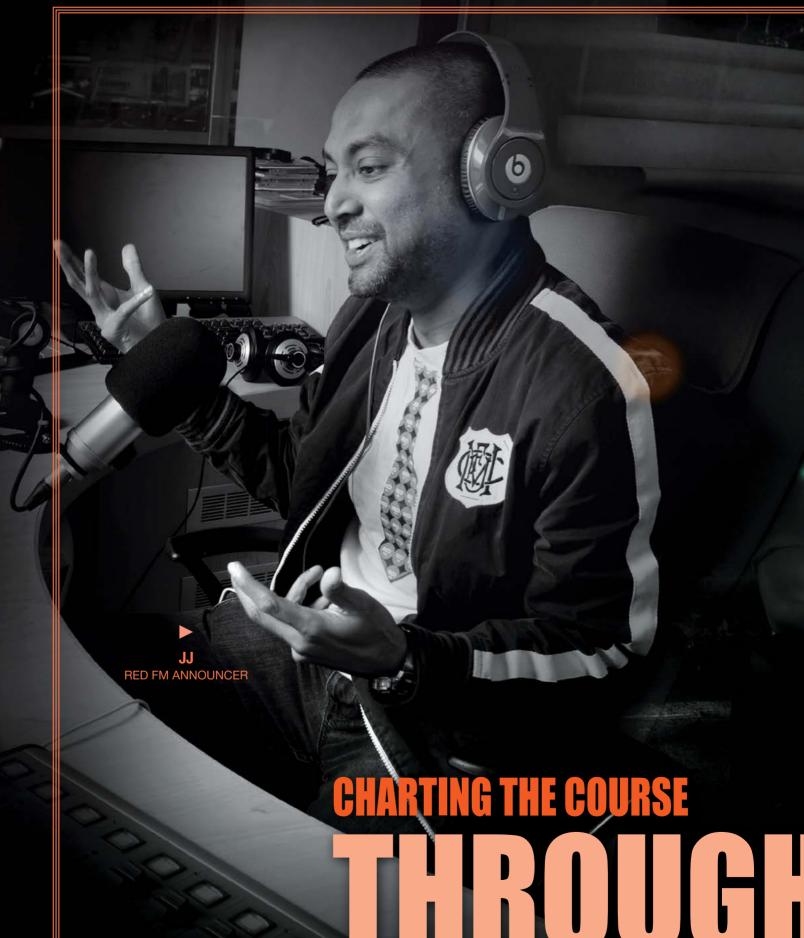
My heartiest thanks goes out to our Board members for their expertise and guidance. We would also like to extend our deepest gratitude and appreciation for the loyalty, commitment, hard work and dedication of the management and the employees of the Group. Your hardwork and creativity have greatly helped shaped the business into what it is today.

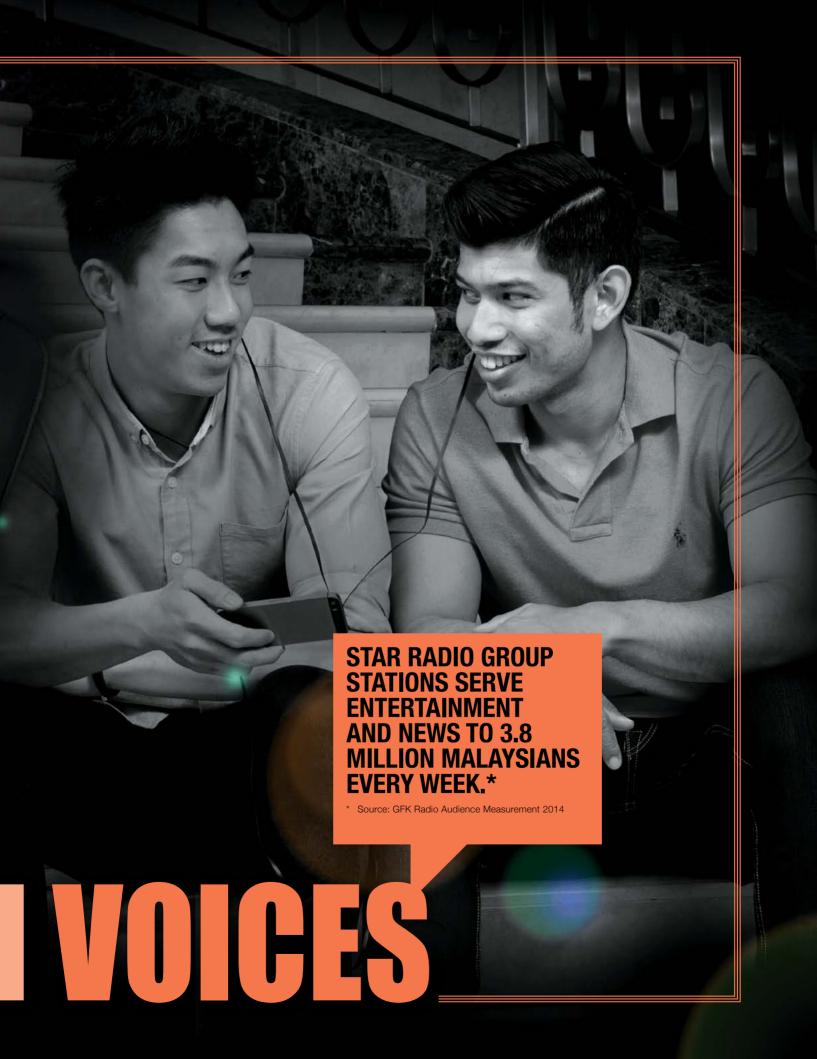
Thank you.

DATO' FU AH KIOW @ OH (FU) SOON GUAN

Chairman 31 March 2015

KEEPING OMPANY DAY AND NIGHT =





MANAGEMENT TEAM



DATUK SERI WONG CHUN WAI Group Managing Director & Chief Executive Officer







MANAGEMENT TEAM (CONT'D)











MANAGEMENT TEAM (CONT'D)







- M. Shanmugam Specialist 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**

Chin Seow Ping

Senior General Manager, Advertising & Business Development

- Tommy Lee Chee Yeow General Manager, Group Editorial Business Development
- Timothy Hor Shoon Chan General Manager, Digital
- Paul Chin Wai Tak Assistant General Manager, Autos
- David Yeoh Phee Lip Senior Regional Manager, Operations (North)

- Jimmy Poey Yee Meng Senior General Manager, Audience Management
- Henry Asokan Senior General Manager, Audience Development
- Mohamed Hassan Bin **Mohamed Ali**

Senior General Manager, **Technical Services**

MANAGEMENT TEAM (CONT'D)





- Angelina Villanueva Senior General Manager, Group Marketing and Corporate Communication
- George Chan Shiang Chiat Senior General Manager, Finance (Subsidiaries)
- Iris Tan Kok Foong Senior General Manager, Administration
- Maryann Tan General Manager, Corporate Planning & Strategy
- Terence Rai General Manager, Group Human Resources
- Yeo Eng Siang General Manager, Corporate Office

- Chai Ming Jye Assistant General Manager, Internal Audit
- Kevin Seng Sheng Yeow Assistant General Manager, IT Services
- Ong Wei Lymn Group Company Secretary
- Soh Sze Jean General Counsel

- Dato' Adriana Law Song Ting Managing Director, I. Star Ideas Factory Sdn. Bhd.
- Anne Chan General Manager, Life Inspired
- Ko Chee Wah Group Managing Director, Cityneon Holdings Limited, Singapore
- Kudsia Kahar Chief Operating Officer, Star Radio Group
- Roshan Thiran Chief Executive Officer. Leaderonomics Sdn. Bhd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 AND ITS SUBSIDIARIES ("THE 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 2014. 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 Board retains full and effective control of the Group. 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 include reviewing and adopting the strategic plans and policies and overseeing the conduct of the Group's businesses to evaluate whether they are properly managed, identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures, overseeing the development and implementation of a shareholder communication policy and reviewing the adequacy and the integrity of the internal control system of the Group. Key matters, such as approval for interim and final results, material acquisition and disposal, major capital expenditure, formalising the budgetary process 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

The Board is guided by a Board Charter which sets out amongst others, the respective roles and responsibilities of the Board, the Chairman, the Group Managing Director and Chief Executive Officer ("Group MD & CEO") and the Board Committees. The Board had reviewed the Board Charter during the financial year ended 31 December 2014.

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 businesses and operations and for facilitating effective discussions and 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 Board also considers the independent non-executive directors fairly represent the interest of public shareholders. There is no individual director or group of directors who dominate the Board's decision making.

The Board has nine (9) members. Five (5) of the nine (9) members are Independent Non-Executive Directors who are independent of management and free from any relationship which could interfere their independent judgement. 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 24 to 28 for details of the Directors, their profiles and their respective memberships.

Division of Roles and Responsibilities

The roles of Chairman and 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 Group MD & CEO is 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.

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 seven (7) times during the year and attendance of Directors at Board Meetings, was as follows:

Name	Attendance
Dato' Fu Ah Kiow* (Chairman)	6/6
Dato' Sri Kuan Peng Soon*	5/6
Datuk Seri Wong Chun Wai	7/7
Tan Sri Datuk Seri Kamal Mohamed Hashim	7/7
Mr Lee Siang Chin	7/7
Datin Linda Ngiam Pick Ngoh	7/7
Dato' Dr Mohd Aminuddin bin Mohd Rouse	7/7
Dato' Yip Kum Fook	7/7
Mr Lew Weng Ho	7/7
Tan Sri Datuk Seri Dr Fong Chan Onn#	3/3
Tan Sri Vincent Lee Fook Long#	1/3

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
- * Tan Sri Datuk Seri Dr Fong Chan Onn retired as Non-Independent Non-Executive Director and Chairman on 21 May 2014. Meanwhile, Tan Sri Vincent Lee Fook Long resigned as Executive Deputy Chairman and Director on 31 March 2014.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 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 by the Company Secretaries.

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 Group 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. Terms of reference of the respective Board Committees are reviewed by the Committees periodically to ensure they remain relevant and effective and complies with best practices. The role of the Board Committees is to advise and make recommendations to the Board. Although specific powers are delegated to the Board Committees, the Board keeps itself abreast of the key issues and decisions made by each Board Committee through the reports by the Chairman of the Board Committee and the tabling of the minutes of the Board Committee meetings at Board meetings. The ultimate responsibility for decision making lies with the Board.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

a) Audit Committee

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

- 1. 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

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 55 to 59 of the Annual Report.

b) Nomination Committee

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

- 1. Dato' Yip Kum Fook (Independent Non-Executive Director) -Chairman
- 2. Mr Lee Siang Chin (Senior Independent Non-Executive Director) - Member
- 3. Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) - Member

The Board notes that whilst Bursa Securities Listing Requirements does 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 function, among others, is to recommend to the Board, candidates for directorship as well as membership to Board Committees to be filled. In proposing its recommendation, the Committee will consider and evaluate the candidates' required

skills, knowledge, expertise and experience, professionalism and integrity and in the case of candidates for the position of independent non-executive directors, their ability to discharge responsibilities/functions as expected from independent nonexecutive directors. 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. The NC also reviews and considers the proposals by Management on the appointment/promotion/ re-designation of key personnel of the Group. The NC works closely with the Board in ensuring that a clear succession plan is established.

To ensure the Board has an appropriate balance of expertise and ability, the NC carries out an annual review for assessing the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual director including Independent Non-Executive Directors. The NC also reviews the retirement of Directors eligible for re-election and re-appointment at the Annual General Meeting ("AGM").

During the financial year ended 31 December 2014, three (3) NC Meetings were held and attended by all its members. Summaries of activities during the year were:

1. Annual Performance Evaluation

The annual assessments for the Directors were carried out on self-assessment basis, which were summarised and discussed at the NC meeting and also shared with the entire Board. 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. All assessments and evaluations carried out by the NC were properly documented.

In carrying out its recent annual review, 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 NC also agreed on the re-appointment of the existing Board Committee members for the ensuing year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

2. Annual Assessment of Independent Directors

The NC determines the independence of each Independent Non-Executive 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.

The NC is satisfied that 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.

Under the Code, it is also recommended that the tenure of independent director should not exceed a cumulative term of nine (9) years and upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the director's re-designation as non-independent director. None of the Independent Non-Executive Directors of the Company has exceeded the cumulative term of nine (9) years.

3. Re-election and Re-appointment of Directors

The NC has also reviewed 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. 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 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.

4. Review of Terms of Reference

During the financial year, the NC had also reviewed its Terms of Reference to ensure objectivity and clarity in its responsibilities in line with the best practices of the Code.

c) Remuneration Committee

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

- i) Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) – Chairman
- ii) Dato' Dr Mohd Aminuddin bin Mohd Rouse (Non-Independent Non-Executive Director) – Member
- iii) Datin Linda Ngiam Pick Ngoh (Independent Non-Executive Director) - Member

The RC's primary responsibility is to recommend to the Board annually, the remuneration packages for Executive Directors and key management personnel of the Group, in all its forms, drawing from outside advice, if necessary. The determination of remuneration of Non-Executive Directors is a matter for the Board as a whole. The Committee also reviews the level and mix of remuneration and benefits policies and practices of the Group.

The RC had held two (2) meetings during the financial year ended 31 December 2014 which were attended by all RC members.

d) Finance Committee

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

- i) Dato' Fu Ah Kiow (Independent Non-Executive Director) – Chairman
- ii) Datin Linda Ngiam Pick Ngoh (Independent Non-Executive Director) – Member
- iii) Dato' Dr Mohd Aminuddin bin Mohd Rouse (Non-Independent Non-Executive Director) – Member
- iv) Mr Lee Siang Chin (Senior Independent Non-Executive Director) – Member
- v) Dato' Sri Kuan Peng Soon (Non-Independent Non-Executive Director) – Member

The primary function of the FC includes to review and evaluate investment and strategic proposals and to consider the annual budget and strategic plans of the Company and Group before recommending to the Board for approval. The FC met six (6) times during the financial year ended 31 December 2014.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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 training 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. In this respect, the Board continuously evaluates and determines the training needs of its Directors to ensure the Directors discharge their duties effectively.

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

Name of Director	Training & Seminars Attended
Dato' Fu Ah Kiow	 BDO Goods & Service Tax Workshop Training Appreciation and Application of ASEAN Corporate Governance Scorecard
Dato' Sri Kuan Peng Soon	Mediation for the Construction IndustryImpact of GST on Contractors
Datuk Seri Wong Chun Wai	 BDO Goods & Service Tax Workshop Training WAN-IFRA Publish Asia 2014 in Hong Kong 6th World Chinese Economy Forum Group Sales Training
Tan Sri Datuk Seri Kamal Mohamed Hashim	BDO Goods & Service Tax Workshop Training
Datin Linda Ngiam Pick Ngoh	 BDO Goods & Service Tax Workshop Training Directors' Breakfast Series "Great Companies deserve great directors" Goods & Services Tax by PriceWaterhouseCoopers Directors' CEP 2014 Leveraging Diversity for Performance
Dato' Dr Mohd Aminuddin bin Mohd Rouse	 BDO Goods & Service Tax Workshop Training Reliability of Financial Statements and Corporate Disclosure Policy under Listing Requirements Governance, Risk and Compliance – A Practical approach to an effective and efficient enterprise risk management and corporate governance framework Goods and Services Tax Seminar Workshop

Name of Director	Training & Seminars Attended
Mr Lee Siang Chin	 Invest ASEAN 2014 by Maybank Investment Bank in Singapore Briefing by Messrs Ernst & Young on Foreign Account Tax Compliance Act Maybank Law Conference 2014 - Beyond Domestic Law Anti-Money Laundering and Counter Financing Terrorism Refresher Programme by Maybank BDO Goods & Service Tax Workshop Training Corporate Governance Statement Reporting Workshop
Dato' Yip Kum	 BDO Goods & Service Tax Workshop Training GST seminar by Ministry of Finance GST & U by Ministry of Finance Corporate Governance Statement Reporting
Fook	Workshop
Mr Lew Weng	 BDO Goods & Service Tax Workshop Training Corporate Governance Statement Reporting
Ho	Workshop

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

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 long-term 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.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

Disclosure of Directors' Remuneration

Directors' remuneration for the financial year ended 31 December 2014 is as follows:

	Executive Directors RM	Non-Executive Directors RM	Total RM
Directors' fees	-	605,753	605,753
Salaries/ incentives	2,374,884	-	2,374,884
Employers' contribution to EPF	357,946	-	357,946
Allowances/ Committee Allowances	_	521,778	521,778
Benefits-in-kind	512,413	97,567	609,980
Total	3,245,243	1,225,098	4,470,341

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

Range of Remuneration	Executive Directors*	Non- Executive Directors *
RM50,001 to RM100,000*		1
RM100,001 to RM150,000		5
RM150,001 to RM200,000		1
RM250,001 to RM300,000		1
RM350,000 to RM400,000	1	
RM650,000 to RM700,000*	1	
RM2,200,000 to RM2,250,000	1	
	3	8

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

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 policies under the Listing Requirements. 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 Company's website thestarmediagroup.mv.

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.

^{*} Including Directors who resigned or retired during the year.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

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.

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 2014 is RM393,075.

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 identifies, 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 56 and Statement on Risk Management and Internal Control as set out in pages 52 to 54 of the Annual Report 2014.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 February 2015.

TEMENT ON RISK MANAGEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

DURING THE FINANCIAL YEAR UNDER REVIEW. **STAR PUBLICATIONS** (MALAYSIA) 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 control 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 Internal Control and Risk Management Practices.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound internal controls and risk management practices to safeguard various stakeholders' interest and to address all key risks which the Board considers relevant and material to its operations. 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 Risk Management Committee meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted.

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 personnels from the relevant business and support functions and Internal Audit. The Committee is entrusted with the responsibility to identify and communicate to the Board the key 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (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 non-compliance 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.
 - 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, 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 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 2014 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 this Statement for inclusion in the annual report of the Group for the financial year ended 31 December 2014. Their review is performed in accordance with Recommended Practice Guide 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in their review of the adequacy and integrity of the internal controls of the Group.

AUDIT COMMITTEE REPORT

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 56 to 59.

MEETINGS

The Committee held five (5) meetings during the financial year ended 31 December 2014, 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 Group Managing Director and Chief Executive Officer, Group Chief Operating 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 of 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 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.
- b) Reviewed with the external auditors the results of the audit, the audit report and the management letter, including management's responses.
- c) Considered and recommended to the Board for approval of the audit fees payable to the external auditors.
- Reviewed the independence, objectivity and suitability of the external auditors and services provided, including non-audit services. Non-audit fees totalling RM393,075 were paid to the external auditors and their associates during the financial year, for the provision of corporate tax advisory and planning and other advisory services.
- e) Approved the Internal Audit Plan for financial year 2014.
- f) 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.
- g) 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.

- h) 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.
- i) 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.
- j) 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 in Malaysia.
- k) 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.
- Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- m) Reviewed the related party transactions and recurrent related party transactions of a revenue or trading nature entered into by the Group.
- n) Reviewed the Corporate Governance Statement, Audit Committe Report and Statement on Risk Management and Internal Control, pursuant to the Listing Requirements and the Malaysian Code on Corporate Governance.
- o) Reviewed the relevant policies and guidelines for intercompany transactions.
- p) Reviewed the Terms of Reference of the Audit Committee.

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 follow-up 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 2014 amounted to RM568,125.

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 not fewer than three (3) members;
 - All the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors:
 - c) At least one member of the Audit Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-

- he must have passed the examinations specified in Part I 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 Bursa Malaysia Securities Berhad ("Bursa Securities").
- 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 Bursa Securities 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.

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.
- 2.2 The main responsibilities of the Chairman of the Committee include:
 - Planning and conducting meetings; a)
 - b) Overseeing reporting to the Board;
 - c) Encouraging open discussion during meetings; and
 - d) Developing and maintaining active ondialogue with Management and going both internal and external auditors.

2.3 All meetings shall be chaired by the Chairman: if the Chairman is absent at any meeting, it shall be chaired by another Independent Non-Executive Director chosen among themselves.

3. Secretary

3.1 The Company Secretary shall be the secretary of the Audit Committee.

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 All resolutions of the Committee shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote;
- 4.4 The Chairman of the Audit Committee shall, upon the request of the external auditor, convene a meeting of the Committee to consider any matter, which the external auditor believes should be brought to the attention of the directors or shareholders:
- 4.5 The external auditors are invited to attend meetings as and when necessary;
- 4.6 Other Board Members and employees may attend meetings only upon the invitation of the Audit Committee.
- 4.7 The Audit Committee should meet with the external auditors without the Executive Board Members and Management present at least twice in a financial year;
- 4.8 A resolution in writing, signed by all the members of the Committee, shall be as effectual as if it has been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Committee members.

- 4.9 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.

Authority

The Audit Committee shall, in accordance with the procedures determined by the Board of Directors and at the cost of the Company

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties. The Committee can obtain outside legal or other independent professional advice it considers necessary:
- (c) have full and unrestricted access to any information pertaining to the Group; and
- (d) have direct communication channels with external auditors and internal auditors and shall be able to convene meetings with the external auditors, internal auditors or both without the presence of Executive Directors and employees of the Company, whenever deemed necessary.

Functions 6.

- 6.1 The functions of the Audit Committee shall be
 - to review (a)
 - with the external auditors, the audit scope and plan;
 - (ii) with the external auditors, their evaluation of the system of internal controls;
 - (iii) with the external auditors, their audit report;
 - (iv) the assistance given by the employees to the external auditors:

- (v) the independence and objectivity of the external auditors and their services, including non-audit services and their professional fees, so as to ensure a proper balance between objectivity and value for monev:
- (vi) the appointment and performance of external auditors, the audit fee, any question of resignation/dismissal, any letter of resignation from the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment before making recommendations to the Board and recommend the nomination of a person/ persons as external auditors.
- (vii) the adequacy of the internal audit scope and plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (viii) 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:
- (ix) 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;
 - the going concern assumption;
 - significant adjustments arising out of audit and unusual events; and
 - compliance with accounting standards and other legal requirements;

- (x) any related party transactions and conflict of interests situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity; and
- (xi) with the Head of Enterprise Risk Management, the risk profile of the Group and risk management practices and procedures;
- (b) ensure that the internal audit function is independent of the activities it audits;
- (c) take cognisanse of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning; and
- (d) 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.

The Chairman of the Committee shall engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matter affecting the Company and group.

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 2014.

SHARE BUY-BACK

The Company did not purchase any of its own shares or resell its treasury shares during the financial year ended 31 December 2014. As at 31 December 2014, a total of 607,200 ordinary shares were retained as treasury shares. There was no cancellation of treasury shares by the Company during the financial year ended 31 December 2014.

DEPOSITORY RECEIPT PROGRAMME

There was no Depository Receipt Programme sponsored by the Company during the financial year ended 31 December 2014.

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 vear.

OPTIONS OR CONVERTIBLE SECURITIES

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

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year 31 December 2014.

7. PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not release any profit estimate, forecast or projection. There were no variance of 10% or more between the audited results and the unaudited results announced pertaining to the said financial year.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests during the said financial year.

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 RM393,075 by the Company's auditors or a firm or a company affiliated to the auditor's firm.





MAY



Make a difference and focus on innovation.

Regardless whether you occupy attractive niches in the area of offset printing or want to enter the digital printing business - Muller Martini's systems can be adapted flexibly to your individual needs. Our finishing know-how, sophisticated technology and extensive MMServices help you become ready to enter new markets. Focus on your uniqueness and rely on the highest level of investment protection. **Muller Martini - your strong partner.**

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AWARDS 2014

















2014 HIGHLIGHTS



R-AGE

ERY FIRST PODCAST

A weekly talk show hosted by:

R.AGE JOURNALIST

JAYDEE LOK

RED FM'S

JEREMY TEO



Available on rage.com.my, the show covers all topics related to youth including issues, trends, personalities, music and others.



TRODUCING NEW PULLOUT

StarProperty.my made its debut as a monthly Sunday pullout. It is published on the third Sunday of the month and supplements the online starproperty.my portal.









The Star-NiE and Pizza Hut is a contest based on the storyboarding concept featuring characters from movies, fiction, games and other genres. In 2014, the contest received 30,000 entries from students across the nation - a huge increase from 850 entries in the previous year.



Sunday Star debuted its fresh new look and revamped content. In conjuction with the launch, Sunday Star invited readers to share their thoughts on the revamped issue with #SundayIsFor via social media.









The Star People's Food Awards was launched in May 2014. The monthly award was given to the best Malaysian street food in the Klang Valley. Each month, Malaysians vote for their favourite category-based street food, such as nasi lemak, roti canai, popiah, and nasi kandar. Voters stand a chance to win hotel stays and dining vouchers. The awards are hosted on Metro Online Broadcast (MOB), The Star's citizen journalism website, at mob.com.my.



WINEWORDS **WORD PUZZLE**

The Star organised the Win With Words contest in conjunction with Merdeka Day celebrations. Cash and cars worth than RM400,000 were up for grabs.



THE MOST **CIRCULATED PAID ENGLISH DAILY IN PRINT AND DIGITAL**

Digitally, The Star ePaper recorded a circulation figure of 81,367 last year, a 66% increase compared to the same period in 2013.

Source: Audit Bureau of Circulations (ABC) (January-June 2014)





THE MOST POPULAR NEWS PORTAL IN MALAYSIA

According to Malaysian Digital Association (MDA) and comScore Inc report in April and October 2014, The Star Online (thestar.com.my) was the top read news portal in Malaysia with 920,000 unique visitors from desktop devices.

The Star media group's Bahasa Malaysia portal, mStar Online (mstar.com.my) was updated with a new look that enables easier navigation of the site. The revamp includes new features presented in a more exciting format. mStar Online has also introduced a business news section to report on the latest business and entrepreneurial updates.



Star Shopping (shopping.thestar.com. my) features 10,000 products from 50 brands, covering categories from men and women clothes to luxury goods. The website is a partnership between Star Publications (Malaysia) Berhad and ShopStylers Sdn Bhd.







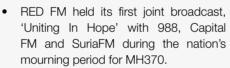
406,000 LISTENERS

70% OF ITS LISTENERS AGED 20 TO 39 YEARS OLD

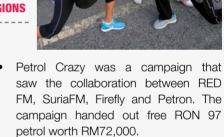
44% OF ITS LISTENERS COMMAND HOUSEHOLD INCOME OF RM4,000 AND ABOVE

96% REACH IN THE CENTRAL AND NORTHERN REGIONS

Source: GFK Radio Audience Measurement 2014



RED FM introduced its new tagline, 'Not For Kids Radio'. The station targets listeners aged 25 to 39 years old.



All stations listeners had the chance to tune in to the most comprehensive and detailed reports on the 2014 World Cup. It was a collaboration with TalkSport UK.



.5 MILLION LISTENERS PER WEEK

3% OF ITS LISTENERS AGED 20 TO 39 YEARS OLD

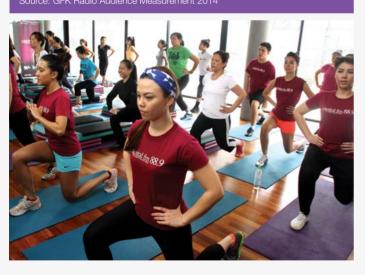
65% OF ITS LISTENERS EARN HOUSEHOLD INCOME **OF RM3,000 AND ABOVE**

THE STATION HAS HIGH PENETRATION IN THE URBAN MARKET. **48% IN THE CENTRAL REGION AND 33% IN THE** NORTHERN REGION Source: GFK Radio Audience

- 988's late evening show, 10pm 1am dominates the No.1 spot. A total of 400,000 people tune in weekly.
- 988 Boss Talk was held in Penang. The event was hosted by Chan Fong where he shared business and entrepreneurial tips with listeners.
- 988's Chinese New Year album promo tour included Penang, Ipoh and Klang Valley.



capital fm



- Capital FM made its debut in Penang with frequency 107.6 FM.
- Life Class, a series of workshops by Capital FM features topical issues for listeners such as 'Life Class: How to brand and market yourself', 'Capital FM's Body Strong' and 'Take Charge of Your Safety'.





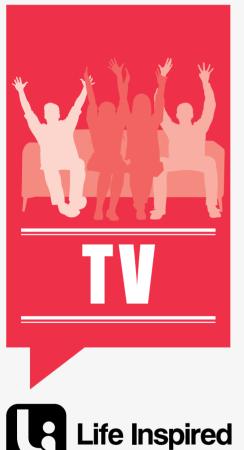
LISTENERS 44% HOUSEHOLD RM3,000 AND ABOVE

Source: GFK Radio Audience Measurement 2014





- Suria Cinta, a late evening show hosted by DJ Lin, has the longest time spent listening (TSL) among all the Malay radio stations in the country of the same time belt.
- SuriaFM's Zon Ceria has returned for the second year to bring breakfast cheer to its listeners. During the 10-day roadshow, SuriaFM's announcers went to different locations to give out coffee and Nasi Lemak.
- SuriaFM announcer, Halim Othman took part in the 'Kamilah Malaysia' tour to thank listeners for their support. The tour was held for a month, nationwide.
- SuriaFM introduced a new tagline 'Intelligent Tapi Selamba' in 2014. The station targets listeners aged 25 to 39 years old.
- 'SuriaFM Menceriakan Rayamu' was an initiative made by SuriaFM to assist a family of nine siblings who were left orphaned when their parents passed away. SuriaFM announcers decided to give them a surprise by refurbishing their home and purchasing groceries.





ELEBRATING MALAYSIA'S HOME-GROWN SUCCESS STORIES

- Tastemakers is Life Inspired's original TV content production on Malaysia's homegrown success stories. LITV, together with Capital FM, Esquire, Elle, and MSN Malaysia handpicked 6 young and inspiring Malaysians as a tribute to Malaysia's National Day. They were featured in a 30-minute TV programme.
- Tastemakers Malaysia celebration event was held as an appreciation night for the featured personalities and they were presented with a Frame Award. The event which captured more than 350 guests was presented by Pavillion Hilltop, Mont' Kiara in collaboration with Hennessy XO, and in partnership with Bedat & Co. MontBlanc Fragrance and Pink Guy Malaysia.



 Jason Down Under, a seven-part series which was aired across Malaysia, Brunei, Singapore, Indonesia, Thailand, Hong Kong and Taiwan was nominated as the Best Lifestyle Programme at the Asian Television Awards 2014.



IT'S ABOUT TIME: **BASELWORLD 2014**

'It's About Time' is a series where the world's top watch brands, such as TAG Heuer, Tissot, Mido, Zenith, and Bell & Ross share the intricacies behind making a timepiece. The programme was premiered on LITV.





Launched in 2014, Stopover Switzerland is a programme sponsored by Switzerland Tourism under LITV's Style and Travel series. It brings audiences on an exploration of Swiss cities and to experience both traditional and modern dining, culture, fashion and lifestyle. The travelogue premiered on LITV and later aired on TVB, J2 Hong Kong and MAS Inflight Entertainment.

HONG KONG

LITV secured a top regional project, the global digital and social campaign from the Hong Kong Tourism Board campaign entittled "My Time for Hong Kong". The campaign began July 2014 and is continuing until early 2015.







THE STAR EDUCATION FAIR 2014

The fair included a section on vocational institutions as there was an increase in interest in the area. Visitors also had chance to attend a session titled 'Study & Work Overseas', where representatives of educational institutions from US, Russia and Ireland shared insights on studying and working abroad.

A NIGHT FOR MALAYSIAN **ENTREPRENEURS**



The Star Business Awards (SOBA) returned for its fifth instalment. In 2014, first time winners of SOBA were entitled to RM1.5 million worth of editorial publicity in The Star's MetroBiz.





11TH EDITION OF IPOH STARWALK

More than 15,000 participants enjoyed a good workout at Ipoh Starwalk 2014, which also coincided with the Father's Day celebration.





37TH PENANG STARWALK

Penang Starwalk 2014, was held at Penang Times Square and joined by more than 20,000 participants. Lucky participants walked away with amazing prizes, including the grand prize of a 3D/2N stay at Pangkor Laut Resort worth RM5,000 and a Samsung Galaxy Note 8.0. The premier sporting event was jointly organised by Star Publications (Malaysia) Berhad and the Penang Amateur Athletic Association (PAAA).















In March 2014, The Star held the inaugural StarLIVE session titled 'Women Of Influence: Their Stories' at Menara Star featuring Marina Mahathir and Zainah Anwar. StarLIVE is a monthly session involving columnists, experts and interesting personalities covering various topics of interests ranging from income tax and GST, arts and craft, horticulture, health, and motivational talks. The event is free and open to the public.







THE STAR PITT ST. LAUNCH

In conjunction with The Star's 43rd anniversary, The Star Pitt St. was launched on 6th September 2014. The Star's famous headquarters was turned into a centre for arts, culture and heritage as a tribute to the diverse culture and heritage of Penang. This heritage building that was built in the 1900s sits along Jalan Mesjid Kapitan Keling, also known as the Street of Harmony. It now houses a permanent exhibition, a book store and the Penang Philharmonic Orchestra alongside The Star Georgetown Bureau.









ENERGY CONSERVATION EXHIBITION

Cityneon created the Energy Efficiency Pavilion, as part of the 2013 Ithra Knowledge Programme (formerly known as Saudi Aramco Cultural Programme). The programme was launched in 2013 and concluded in July 2014. The pavilion addressed the importance of energy conservation, in light of the rising trend of energy consumption.

This travelling exhibition covered four cities as part of a strategic approach to encourage ordinary citizens to change their daily habits for the better.





perfect livin®

HOME AND LIFESTYLE EXHIBITION

The Perfect Livin '14 Home & Lifestyle Exhibition was held at Putra World Trade Centre (PWTC). The nation's largest exhibition featured 1,250 booths from 400 quality exhibitors, a 13% increase of booths from last year's exhibition. This year, Perfect Livin organised a total of 15 exhibitions across several states in Malaysia, including Selangor, Penang, Sabah and Sarawak.



The Star Health Fair 2014 drew a crowd of nearly 40,000 over the threeday event. Many aspects of health and wellbeing were highlighted via talks by respective experts. Other highlights of the fair include Maggi Cooking Challenge by Nestle, and the Live Great Challenge, featuring a six-stop obstacle course.

















SMALL SETUP.

- 9,689 corporate leaders developed in Leaderonomic's 2014.
- Offerings expand into the territory of engagement via Centre of Engagement Excellence, which partners with companies to build culture that will fuel sustainable high-performance.
- Exceeded the 2014 revenue targets and client base in Corporate Services continued to grow this year, both in number and geography.
- Launched one-stop leadership content leaderonomics.com; Leader's Digest, a bi-weekly newsletter.

- signature DIODE camps impacted and developed over 1,731 youths.
- Launch of the SPARK Leadership Programme, a 10-day fully-sponsored leadership development camp for 100 underprivileged youth aged 13-16.
- Do Good Academy development programmes participated by close to 150 NGO leaders.
- Youth Leadership Clubs extended to another three secondary schools in Kuala Lumpur, with approval from the Ministry of Education to run clubs and activities in secondary schools throughout Malaysia.



HRDF -MALAYSIA-

"Human Resources Development Fund had shown a strong positive impact on investment, capital intensity and productivity." -SME Master plan 2012-2020, Chapter 3

REGISTER NOW! TO HAVE

- Higher Productivity
- Faster Technology Transfer
- FREE Training Needs Analysis (TNA)
- Employees with Updated Skills & Multi-Skills
- Systematic & Structured Training Plan for Workers

The Human Resources Development Fund (HRDF) is administered by Pembangunan Sumber Manusia Berhad (PSMB), an Agency under the Ministry of Human Resources, via the Pembangunan Sumber Manusia Berhad Act, 2001. PSMB aims to develop quality human capital and world-class workforce in achieving a high income economy based on knowledge and innovation.



DI CALL 1800-88-4800

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myhrdf



EVENTS

SHARING, CONNECTING & ENGAGING ON-GROUND



CHARTING THE COURSE



CORPORATE RESPONSIBILITY

IN THE YEARS THAT WE HAVE GROWN FROM A SINGLE-PRODUCT COMPANY INTO A MULTI-CHANNEL MEDIA GROUP, ONE MISSION HAS REMAINED THE SAME - AS A CORPORATE CITIZEN, TO PLAY AN ACTIVE ROLE IN COMMUNITY DEVELOPMENT AND NATION BUILDING. THIS HAS TRANSLATED INTO INITIATIVES AND EFFORTS FOCUSED ON THESE AREAS.

2014 SAW THE STAR MEDIA GROUP PAY TRIBUTE TO OUR BIRTHPLACE AND RECONNECT WITH PENANGITES. THE OPENING OF THE STAR PITT ST., SERVED AS A HUMBLE GIFT TO THE STATE THAT HELPED SHAPE US INTO WHAT WE ARE TODAY, FROM APPRECIATING OUR PAST TO GEARING TOWARDS THE FUTURE, WE ARE COMMITTED TO FULFIL OUR ROLE AS A CARING AND RESPONSIBLE MEDIA GROUP BY TAKING STEPS TOWARDS A MORE BALANCED APPROACH TO SUSTAINABILITY.

IT AS A RESPONSIBLE CORPORAT









MARKETPLACE

To create and curate content that is relevant, accurate and reliable for our audiences.

To uphold integrity and privacy of our readers and partners through conscientious management of personal information.

To demonstrate good corporate governance and transparency in the interests of our shareholders and investors.

WORKPLACE

To ensure a working environment that promotes safety. protects rights, enhances work-life balance and propels employee growth to achieve their fullest potential.

FNVIRONMENT

To ensure moderation in energy consumption through the monitoring of carbon emissions.

To implement cleaner and greener operations through renewable energy sources.

COMMUNITY

To heighten awareness on community needs.

To drive tangible changes to benefit the underprivileged at a grassroot level.

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

In our endeavour to provide the investment community and the public more convenient access to the Management, and to live up to our principles of transparency, integrity and good corporate governance, the Group arranges regular communication sessions with analysts, fund managers and shareholders through quarterly result briefings. annual general meetings, discussions and meetings 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. This year, the Company was invited as one of 28 companies to host corporate briefings as part of Invest Malaysia 2014, the flagship Malaysian corporate conference. This conference, already in its tenth year, invites selected Malaysian corporates to present to both foreign and local asset managers, with the view of attracting more capital to our shores.

ETHICAL PROCUREMENT

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

The supplier-buyer relationship is regularly reviewed and improved upon to comply with international standards. Our newsprint suppliers are sourced from sustainable managed forests and from environmentally responsible mills. The mills are Forest Stewardship Council ("FSC") certified/accredited or equivalent, and produce their newsprint from well-managed forests or sustainable sources. The FSC is an international body which accredits certification to organisations 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

With a staff-force of over 1,800 employees group-wide, human capital development has always been a priority for The Star media group. Collective efforts are constantly being made to ensure the Group is powered by best-in-class employees who in turn are proud to be part of this five-star workplace.

In 2014, the Group was awarded multiple accolades at the Human Resources Excellence Awards as a testimony to our effective endeavours in optimising the workplace and caring for our employees. Propelled by this recognition, we will continue to refine our efforts with the aim of providing a conducive work environment for our employees to maximise collaboration, development, growth, innovation and most of all, performance.

THE STAR MEDIA GROUP'S PERFORMANCE AT THE HUMAN **RESOURCES EXCELLENCE AWARDS 2014**

AWARD	WHAT WON IT?	
Excellence in Leadership Development	Senior Talent Programme to groom the Group's next level of senior leaders	
Excellence in Talent Management	Mentoring and coaching programme for a selected talent pool to develop leadership qualities and to be considered for the Group's special projects and succession planning for key roles and responsibilities	
Excellence in Graduate Development	StarTRACK Graduate Trainee Programme to attract talented graduates	
Excellence in HR Technology	Medical Leave & Utilisation Dashboard and E-Leave System to boost productivity and promote cost effectiveness	
Excellence in Employer Branding	Putting a face to the Group as an exciting prospective employer	
Excellence in Recruitment & Retention	Rolling out strategic and realistic recruitment and retention efforts which are constantly reviewed to cater to changing needs	

Group Managing Director and CEO Datuk Seri Wong Chun Wai at a Townhall session with employees



AN INCLUSIVE APPROACH TO MANAGEMENT

In recent years, the Group has been on the cusp of change as it shifts from a print-centric company into a multi-channel media group. As with all management change, a crucial step is to engage the people, namely the employees. As part of a concerted effort, townhall sessions were held with employees to update them on the latest developments within the Group as well as the Company direction in the short to medium term.

With a strong message of 'openness', employees were invited to submit constructive ideas, recommendations and feedback for management to review. This has also encouraged greater discourse between management and employees.

NURTURING CULTURE AND ENGAGING PEOPLE

Recognising the importance of relationship building within the staff force, several engagement initiatives were established to build meaningful connections with our employees and address their needs for work-life balance.

To ensure convenient and seamless connections with employees, a Corporate Portal System (CPS) is used to disseminate announcements, business performances and upcoming company events, which employees can easily access from the comfort of their desks.

New employees are introduced to the company via an induction programme which involves a tour of the facilities within Menara Star - the headquarters - as well as Star Media Hub and Star Radio Group.

A DAY WITH HR

The Group's HR Open Day, or more commonly known as HR4U, was organised for the third consecutive year to serve as a one-stop centre for employees to enjoy the convenience of government services within the comforts of the workplace. Held in collaboration with various government agencies and healthcare providers, employees were able to carry out identity card renewals, Zakat account registrations, EPF account updates and enjoy complimentary health screenings, among others.



Employees renewing and updating their driving licenses during the HR Open Day

TALENT DEVELOPMENT

While stringent measures were taken to manage escalating costs in other areas of business, no compromise was made in the area of talent development. In 2014, the Group cumulatively spent RM1.4 million in training, an increase from RM1.1 million in 2013.

In partnership with our subsidiary Leaderonomics, the Group continued the highly successful and award-winning series of annual leadership programmes. The Senior and Young Talent Programmes are aimed at enhancing leadership skills of our junior and senior ranks earmarked to play key roles in our organisation. This year's programmes saw 22 young talents and 14 senior talents undergoing personal assessment tests, skills-based training, mentorship guidance and implementation of live projects.

THROUGHOUT THE SEVEN MONTHS, WE LEARNED, SHARED, AND EXPLORED. IT WAS AN EXCITING JOURNEY, AND I THINK WE ARE BETTER LEADERS NOW.

JENNIFER NG

STARTRACK 2.0 PROVIDED ME WITH ENDLESS OPPORTUNITIES TO GROW, LEARN AND MOST IMPORTANTLY MEET PEOPLE FROM VARIOUS BACKGROUNDS.

AISYA BINTI YUSRI

The Group maintained its efforts in attracting talented graduates via the award-winning StarTRACK 2.0 management trainee programme. Running for the second year in a row since its revamp, five StarTRACKers were hand-picked and are currently undergoing a fully customised two-year programme which includes four departmental rotations to gain a more holistic learning experience. With each rotation spanning across six months, StarTRACKers are able to fully immerse themselves in the operations to develop a good understanding of their assigned departments, processes and product specialties within the Group. In addition, trainees also undergo leadership training and complete live projects in a competitive environment to determine deserving trainees who will eventually be offered coveted positions within the Group.



Graduates of the Young Talent Programme









Posters of award-winning employees in Menara Star

EMPLOYEE RECOGNITION

Year on year, The Star and its employees continue to win many accolades and prestigious prizes at various award ceremonies. To recognise award winners, posters of award-winning employees are showcased in strategic locations within the headquarters. From editorial to marketing to HR, The Star media group is undoubtedly abundant with talent who have proven to be capable of taking the organisation to greater heights. (See Awards section at page 63 for complete list of awards)

In conjunction with The Star's 43rd anniversary celebration, the Group presented the Long Service Award to 26 of its employees who had given 15 years of their continuous commitment and contribution towards the development of the company.

IT HAS BEEN SO LONG AND WE HAVE BUILT A STEADFAST RELATIONSHIP THROUGHOUT THE YEARS, SHARING A SIMILAR PASSION FOR OUR JOB.

FOO VOON HON

Manager, Technical services (North) and recipient of Long Service Award

CELEBRATING EXCELLENCE AMONG EMPLOYEES' CHILDREN

Since the introduction of the Employees' Children Education Awards in 2011, numerous children of the Group's employees have been honoured with cash incentives for their outstanding results in primary, secondary and A-levels examinations. This year, a total of RM15,950 was awarded to 46 recipients.

IMPACTING LIVES. ONE VOLUNTEER AT A TIME

As a media organisation that puts the people's interests at heart, it is our belief that we should lead by example and give back to the community we serve. This commitment translates into the various projects under the Employee Volunteer Programme (EVP) which has been ongoing since its inception in 2012. Funded by Star Foundation, the company's charity arm, the EVP enables employees to volunteer for causes they wish to support and claim up to 24 volunteer hours as work hours.

Continuing our support for the refugee community, the Group once again partnered with Sahabat Support Centre, an NGO dedicated to help refugees, to pack and provide food parcels for 100 refugee families in the country. Each month, employees from various departments used their lunch hour to help pack much needed supplies for these families.



Employee Do Gooders using their lunch hour to pack food for refugee families

The Star media group's Do Good Day was carried out in Kampung Bukit Jenuk, Dengkil to build eight brand new homes for a community that is often neglected, the Orang Asli. This year's project saw 80 highly committed employee Do Gooders across the Group and their families and friends contribute their time and effort over weekends to do their part for the community. This project ran over a span of five months, clocking in a total of 384 volunteer hours from the Group.

Do Gooders rejoicing after completing a home build







Employees hard at work to build houses for the Orang Asli community

THE BEST REWARD WAS SEEING HOW HAPPY THE BENEFICIARY WAS TO HAVE A NEW HOME AND KNOWING THAT WE MADE A DIFFERENCE. OVERALL, IT WAS A GREAT EXPERIENCE AND I LOOK FORWARD TO VOLUNTEERING AGAIN.

OH ING YEEN

STRENGTHENING INDUSTRIAL RELATIONS

The Star continues to maintain an amicable relationship with the National Union of Newspaper Workers and National Union of Journalists Peninsular Malaysia by putting the interests of our employees at heart.

HEALTH AND SAFETY IN THE WORKPLACE

As a corporation. The Group places strong emphasis and commitment in providing a safe environment for all employees. Our Occupational Safety and Health Committee (OSHC) is tasked to regularly review and reinforce safety measures on all aspects of our operations with the aim of providing a safe haven for our employees.

Regrettably, there has been a slight increase in the number of incidences amounting to 21 cases for year 2014, but fortunately no serious injuries were reported. In light of these unfortunate incidents, the OSHC has taken proactive steps to prevent further recurrence by conducting regular inspections at the workplace.

Moving forward, the Group is highly committed to not only meet the requirements of health and safety, but to implement necessary measures to prevent risks and hazards at work.

ENVIRONMENT

The Group acknowledges the importance of playing our role in safeguarding the environment by minimising our own environmental impacts across our operations and through public advocacy. This year, coordinated and strategic efforts on improving energy usage were rolled out in our commitment to create a cleaner and greener environment.

RENEWABLE ENERGY FOR CLEANER OPERATIONS

In an effort to implement energy-saving measures and enhance cost efficiencies, the Group embarked on solar investments to generate renewable energy using the rooftop photovoltaic system. Under the Feed-in-Tariff (FiT) scheme, we were awarded FiT rate of RM1.1812 per kWh for our 21 years tenure with Tenaga Nasional Berhad (TNB). Aside from generating green energy to the TNB power grid and reducing carbon footprint emission, this initiative also serves as a long-term effort to generate new revenue streams for the company.

For year 2014, this solar initiative generated and sold a total of 506.801 MWh solar energy to TNB and as a result generated total gross revenue of RM598,633 for the Group. On the green front, this enabled us to reduce approximately 376 tonnes of $\mathrm{CO_2}^\star$ emission to the earth from the national grid system.

* CO₂ emission factor for electricity generation (Grid system) from Greentech Malaysia 2012 data: 0.741 tCO₂/MWh

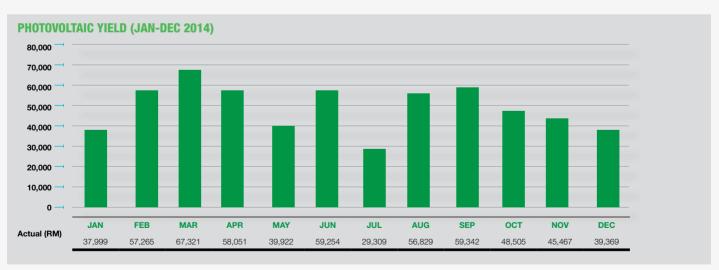






CONSUMING ENERGY AND RESOURCES RESPONSIBLY

Steadfast in our commitment to consume energy responsibly, the Energy Management Committee (EMC) was formed in February 2014 with support from location committees tasked to manage efficient energy consumption throughout our operations in Menara Star, Star Media Hub (SMH) and Star Northern Hub (SNH).



The solar initiative generated total gross revenue of RM598,633 for the Group

Among the efforts carried out by EMC include:

Proclamation of Star Publications (Malaysia) Berhad Energy Policy

Appointment of Registered Energy Manager for SMH in compliance with Efficient Management of Electrical Energy Regulation 2008

activities and to disseminate energy-saving information to respective

Retrofit existing T8 fluorescent lights to energy-saving lights in phases

STAR PUBLICATIONS (MALAYSIA) BERHAD ENERGY POLICY

01	Comply with the Efficient Management of Electrical Energy Regulation 2008
02	Provide comfortable environment for our employees while managing energy performance
03	Provide information, instruction and training on efficient use of energy to all employees as and when required
04	As far as reasonably practicable, source materials, services and equipment from vendors that minimises the impact of energy consumption within the work premises

05

Our year-long pledge in this area has yielded positive results in the form of savings for the Group. We managed to reduce approximately 211.6 tonnes of CO₂ emission and saved 285.532MWh of energy, ultimately translating into a saving of RM242,966.34.

Location	Consumption (kWh)	Maximum demand (kW)	Total savings (RM)
Menara Star	41,867.84	11,390.38	53,258.22
SMH	40,698.54	120,144.03	160,842.57
SNH	21,723.07	7,142.48	28,865.55
Total Saving Achieved (RM)			242,966.34

EFFICIENT MANAGEMENT OF BY-PRODUCTS

As our core business revolves around production of newspapers, we constantly exercise feasible and sustainable measures in minimising our impact on the environment.

PAPER	 70% of The Star's newsprint supply consist of recycled paper Unsold newspapers are sent for daily recycling
WASTE WATER MANAGEMENT	An efficient in-house system - Industrial Effluent Treatment System (IETS) - enables savings as waste water management no longer requires third- party intervention
WASTE MATERIALS MANAGEMENT	Professional management and disposal of ink cartridges and printing plates by certified waste companies Scheduled wastes from excess lubrication oil, ink, electrical and electronic wastes and others are disposed in compliance with legal policies Rags contaminated with scheduled wastes are sent for recycling at approved "prescribed premises" by the Department of Environment.

GREEN ADVOCATE TO MALAYSIANS

The Star effectively leverages on our position as the leading English daily to advocate environmental issues and conservation efforts to the masses. Throughout the years, our advocacy in environment-related issues have become a part of our regular news reporting and editorial features. Through our activism, we take pride that our constant coverage has helped to inculcate green awareness among Malaysians as recognised by the various awards and accolades received from local and international organisations.

COMMUNITY

The Star media group has a long history of being part of the community. Since our inception in 1971, the Group has been deeply ingrained in the fabric of society and is constantly appreciative of the unending support from the people in making us who we are today. As a Group, our way of giving back to society goes beyond pure philanthropy as we strive to deliver meaningful initiatives with lasting outcomes to a diverse group of beneficiaries.

SERVING THE PEOPLE IN TIMES OF NEED

In response to the disastrous floods that struck the east coast in December 2014, The Star media group joined hands with the Malaysian Red Crescent Society (MRCS) and Firefly to collect donations for flood victims and to fly supplies to relief centres in the affected states. The Star's headquarters in Petaling Jaya and three Firefly counters in Kota Baru, Subang and Penang served as collection centres. Our headquarters alone received more than 15 tonnes worth of goods and supplies for the needy. Generous and helpful Malaysians heeded our call for monetary donations for 'The Star-MRCS-Firefly Relief Fund' which accumulated more than RM600,000 of cash donations from the public. Star Foundation also played a part by contributing RM100,000 in aid of our fellow countrymen during these difficult times.

THE NATION HAS RALLIED ROUND TO HELP MALAYSIANS IN THE EAST COAST HIT BY FLOODS, AND THIS IS HEARTENING TO SEE.

DATO' FU AH KIOW

Chairman, Star Publications (Malaysia) Berhac

During the haze in Klang Valley, the immediate well-being of our newspaper vendors became a concern, thus distribution of face masks were carried out throughout this period. Over 20,000 face masks were given out to protect vendors who are constantly exposed to unhealthy air levels when delivering newspapers to subscribers.



Employees sort out donated goods in Menara Star to be delivered to flood victims

In the face of tragedies, unity is what keeps us together. The aftermath of the disappearance of Malaysia Airlines flight MH370 saw Malaysians from all walks of life coming together to provide hope and support for those affected. Star Radio Group brought together its breakfast show announcers from all four stations – RED FM, 988, SuriaFM and Capital FM, for a special 'Uniting in hope for MH370 #KamilahMalaysia' segment. This segment served as a platform for the public to express their thoughts on the tragedy where listeners of the four stations tuned into the same broadcast conducted in English, Malay and Chinese.

THE 'UNITING IN HOPE FOR MH370' JOINT BROADCAST
TRULY SHOWED HOW MALAYSIANS COME TOGETHER AS ONE
IN ADVERSITY.

KUDSIA KAHAR

Chief Operating Officer, Star Radio Group



The public penning messages of hope and support for the MH370 tragedy organised by Star Radio Group.

Feeling strongly about the tragedy, 988 announcers set up message boards in Tropicana City Mall to allow the public to convey their messages of hope and support for the passengers and families of MH370. RED FM and Capital FM also lent their encouragement by supporting the #UniteforMH370 cause spearheaded by local artist Reshmonu and NGO Global Peace Foundation Malaysia aimed at bringing together Malaysians regardless of religion and ethinicities in a show of unity. A music video featuring local artist Russell Curtis' song "Bring Them Home" was produced by RED FM as a special dedication to those affected by the tragedy.

PRESERVING ARTS, CULTURE AND HERITAGE

Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. In 2011, we pledged to convert our 100-year old building, located within the UNESCO World Heritage Site of Georgetown, Penang, into a centre for arts, culture and heritage. Three years on, after extensive renovations were done to what was once our George Town bureau, the building was launched with great fanfare in September 2014 by former Prime Minister Tun Abdullah Badawi and his wife, in conjunction with The Star's 43rd anniversary. Named after the original name of the street it sits on, The Star Pitt St. building is now a public space where Penangites can celebrate their past, present and future through the various initiatives held under its roof. From photo exhibitions to workshops to coffee sessions, this building is set to become a landmark of its own, beautifying the George Town landscape and helping to tell Penang's story for generations to come. The Star Pitt St. project is funded by Star Foundation in support of heritage preservation as an irreplaceable source of life and inspiration, and a key component in nation-building.

THE STAR PITT ST. IS OUR GIFT TO THE PEOPLE OF PENANG. IT WILL SHOWCASE THE HISTORY OF PENANG AND WE WANT IT TO BE THE HOME OF PENANGITES.

DATUK SERI WONG CHUN WAI



The newly refurbished The Star Pitt St. building in Georgetown, Penang



The Penang Story exhibition in The Star Pitt St. building

As a tribute to his hometown, The Star media group's GMD / CEO Datuk Seri Wong Chun Wai penned a weekly column entitled 'Penang's History, My Story'. The columns were later compiled into a book and sold at bookstores. Several companies made bulk purchases of the book to be given to the public and school libraries. The sale proceeds amounting to RM73,000 were donated to charities Kenosis Home and Penang Heritage Trust.





Sale proceeds of 'Penang's History, My Story' donated to charities



Speakers sharing their knowledge and experience at StarLIVE sessions

EMPOWERING THE COMMUNITY

In continuation of The Star's award-winning Do Good. Volunteer. initiative, we carried on with our efforts to promote the spirit of volunteerism among Malaysians with the ultimate aim of encouraging a nurturing and caring society. The volunteer matching portal (dogoodvolunteer.com) continued to link hundreds of volunteers to non-profit organisations who are in need of assistance while at the same time, issues and stories surrounding volunteerism and weekly listings of volunteer opportunities are highlighted in the newspaper. Do Good Academy, which provides trainings for NGOs to equip them with the necessary basic skills to run their organisations efficiently and effectively, saw close to 150 NGO leaders participate in its development programmes. These informative sessions were organised by Leaderonomics in partnership with corporations like Microsoft Malaysia.





Star Radio Group's 'Championing Children' campaign on RED FM's website





Star Radio Group announcers lending support to furry friends

The Star leveraged on its strengths as a multi-faceted content provider to add value, share knowledge and introduce key opinion leaders and our editorial team to our readers through **StarLIVE** - regular live sessions on a variety of topics of interest. From women issues to arts and craft workshops to financial matters, StarLIVE sessions received enthusiastic response from the public from all walks of life. Since its debut in March 2014, over 1,500 participants have attended the 10 sessions organised for the year, with many repeat participants recorded. This popular on-ground event serves as an avenue for us to give back to our readers and the community beyond our daily dose of news.

With the tagline of 'They are our future', Star Radio Group launched the 'Championing Children' campaign to raise awareness on child abuse and to provide an avenue for the community to learn more about this issue. Running concurrently on the four radio stations' websites, the public can obtain information on the different types of abuse, tell-tale signs and help lines to help keep children safe.

The Star's young journalist programme - BRATs (Bright, Roving, Annoying Teenagers) was the official media partner for Unicef Malaysia's Picture My Rights photography competition. As a picture is worth a thousand words, this competition aims to promote child rights issues and discussions surrounding it, especially among teenagers. During the six weeks duration, more than 250 photo pledges were received from teens aged 13 to 17 years old.

In December 2014, Star Radio Group (SRG) partnered with Paws Animal Welfare Society (Paws) for 'Caring For Our Friends With Paws'. An adoption event was held to find new homes for some of the dogs and cats residing in Paws' shelter which houses almost 600 furry residents. SRG announcers turned up in droves to support the adoption drive.

EDUCATION - THE WAY FORWARD

The Group advocates the importance of education in building a knowledgeable society.

To support this, The Star publishes a weekly pullout, **Newspaper**in-Education (NiE), as a teaching resource to improve English language proficiency among school students. NiE workshops are organised throughout the country to achieve this objective. Teachers are taught to utilise the newspapers along with the syllabus-based pullout to inject variety and fun into the teaching and learning of the English language. Students on the other hand, are introduced to the NiE pullout which is a treasure trove of ready-made fun and interesting activities to show that learning of English can be exciting. After a year of hard work, appreciation hi-teas are organized to fete 450 teachers across the country for their continuous support of The Star's education pullouts NiE and Step Up.

WE LEARN HOW TO SPEAK IN FRONT OF A LOT OF PEOPLE AND IT DEFINITELY HELPS US IMPROVE OUR ENGLISH. USING THE NEWSPAPER MAKES THE CLASS MORE FUN.

EREEN EMIERA



A teacher guiding students on a NiE activity using The Star newspaper

I AM GRATEFUL TO THE STAR FOR HELPING **ME OUT ONCE AGAIN.**

MOHAMMAD NASRUN ABU SUFIAN

Recognising that affordability is a huge stumbling block for aspiring young Malaysians in their pursuit of education, The Star Education Fund was initiated in 1994 to become the stepping stone for needy students to achieve their dreams. The fund is divided into two tiers. Tier One scholarships are awarded by the Group and Tier Two scholarships are sponsored by local and overseas educational institutions. In 2014, a total of 164 deserving and needy students benefitted from the scholarships worth over RM7.5 million.



Recipeints of The Star Education Fund 2014





BRATs participants having fun in a workshop in Langkawi

stuff@school pullout contributed by Starstruck! participants

PROMOTING EXPERIENTIAL LEARNING

As the leading English daily, The Star offers the perfect platform for young aspiring journalists to put their journalistic skills to the test and have a shot at being pressmen in the real world.

Since 1993, The Star's young journalist programme - BRATs (Bright, Roving, Annoying Teenagers) has recruited and trained some of the best young writers from all around the country. Today, many fine journalists and media professionals are proud alumnus of BRATs which helped kick start their media careers. A total of 117 participants were selected to take part in three separate BRATs camps in 2014 as they were sent to take on exciting assignments in Perak (Ipoh & Taiping), Melaka, and Langkawi. During the workshops, participants explored the cities, conducted interviews, did research, took photos and videos which were then featured in the #BRATspeak weekly column under the The Star's youth platform, R.AGE.

The Star's **Starstruck! Young Writers Programme** enabled 45 teenage writers to experience life as cub reporters. Throughout the year, these eager writers conducted interviews, met deadlines and produced articles diligently for all 33 issues of stuff@school, a pullout dedicated to current affairs, pop culture, short stories and literature. At the end of the programme, ten best performing writers won themselves an invaluable one-month internship stint at The Star where they were personally mentored by senior journalists and editors from the various editorial desks.

I'M ALWAYS LOOKING FORWARD TO NEW ASSIGNMENTS. IT'S LIKE OPENING THE MAIL BOX. YOU NEVER KNOW WHAT YOU MIGHT GET!

CAYSSENY TEAN BOONSIRI

Mighty Minds champions in the upper secondary category from SM Lodge, Kuching



ENGAGING LEADERS OF TOMORROW

Recognising the role youths can play in shaping the future, the Group offers avenues to engage the young people and encourage them to express themselves, whether intellectually, creatively or via sporting spirit.

The sixth edition of the **RHB-The Star Mighty Minds National Challenge** returned with a bang as over 9,400 students battled it out for a shot to be amongst the nation's brightest minds. While the competition places emphasis on testing one's general knowledge, it also showcased and tested students' various skills and knowledge, as well as their ability to put theory into practice. Teams from SMK Bukit Mewah, Seremban and SM Lodge, Kuching emerged as national champions in the lower and upper-secondary categories respectively.

The Star's NiE Tale Spin Contest 2014 continued to challenge students' creative juices and proficiency in English. The contest, which is based on the storyboarding concept, garnered 30,000 entries from more than 500 schools across Malaysia. Winners were treated to four-day, three-night all-expenses paid trips to Hong Kong and Hong Kong Disneyland, courtesy of The Star and Pizza Hut.







Cheerleaders battle it out for the Cheer 2014 championship title

CORPORATE RESPONSIBILITY (CONT'D)

Healthy competition is an effective way to bring out the competitive and fighting spirit in youths. Cheer 2014, the 15th edition of Malaysia's premier inter-school cheerleading competition, witnessed electrifying performances from cheerleaders all over the country gearing for a shot at the coveted title. Teams were made to battle it out in regional competitions before earning their slot in the grand finals where an 8,000 - strong ecstatic crowd cheered them on, while they tried to impress the panel of judges. Team Cyrens from SM Sri Kuala Lumpur once again pulled off a near-flawless routine to bring home the champion's trophy in the All-Girls category, for the fifth consecutive time.

IT'S CRAZY TO BE ABLE TO TIE THE RECORD. WE NEVER THOUGHT IT WAS POSSIBLE, BUT WE DID PUT IN A LOT OF EFFORT. AND WE'RE GLAD IT PAID OFF.

TEAM CYREN'S CAPTAIN RACHEL LU FROM SM SRI KUALA LUMPUR (CHEER 2014 ALL-GIRLS CATEGORY CHAMPION)

As part of their core business, Leaderonomics has always been committed to leadership development among youth. The Youth Leadership Club is a pioneering effort to drive improvement in leadership and performance within the secondary school system through a structured curriculum to develop leadership skills and character. The efficacy of the programme was further recognised when it received approval from the Ministry of Education to run the club in secondary schools throughout Malaysia.

The Leaderonomics Advanced Leadership Camp (ALC) successfully churned out 11 youth graduates aged 15 and 16 who were exposed to live projects and field trips to hone their leadership skills while making a difference in the community.

Our vouth engagement initiatives were extended to the underprivileged community as Leaderonomics launched the SPARK Leadership Programme, a 10-day fully sponsored leadership development camp for 100 selected underprivileged youths aged 13 to 16. In partnership with ECM Libra Foundation and Epsom College Malaysia, the programme aims to ensure these youths receive the exposure, experience and leadership skills to set them up for a bright future ahead.



Roshan Thiran, CEO of Leaderonomics giving a talk at the SPARK Leadership Programme

GIVING BACK TO CHARITY

Star Foundation is the charitable arm of Star Publications (Malaysia) Berhad aimed at raising, receiving and administering funds for various causes as set by the Foundation charter. In 2014, the Foundation donated a total of RM915,000 to nonprofit organisations nationwide with emphasis on welfare organisations. Financial contributions were provided to help organisations offset operating expenses, upgrading of facilities and running of existing programmes among others.

On the homefront, the Foundation also provided financial backing on several CR initiatives rolled out by the Group, including projects under the Employee Volunteer Programme, The Star Pitt St. project, and The Star-MRCS-Firefly Relief Fund, in support of causes we champion.





IN OUR EVER-CHANGING WORLD, WE CREATE NEW VALUES THAT PEOPLE TRULY NEED.

For more than eight decades, FUJIFILM has built a wealth of advanced technologies in the field of photo imaging. Using leading-edge, proprietary technologies, we provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society.

As our environment and needs evolve, we are applying these technologies in new directions to create more meaningful solutions. We create the tools and solutions that connect people, further sustaining a healthy, vibrant society. Understanding that a future of infinite potential is ahead of us, our wider corporate commitment remains the same—to help enhance the quality of life of people worldwide.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

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	Company
	RM'000	RM'000
Net profit for the financial year	112,033	71,054
Attributable to:		
Owners of the parent	111,416	71,054
Non-controlling interests	617	-
	112,033	71,054

DIVIDENDS

Dividends paid, declared and proposed 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 RM44,277,000 and RM22,139,000 respectively in respect of the financial year ended 31 December 2013 were declared and paid on 27 February 2014 and 18 April 2014 respectively.
- (b) A first interim dividend of 6.0 sen per ordinary share, single tier, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which amounted to RM44,277,000 and RM22,139,000 respectively in respect of the financial year ended 31 December 2014 were declared and paid on 18 August 2014 and 17 October 2014 respectively.

Subsequent to the financial year, on 27 February 2015, 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 2014. The dividends are payable on 17 April 2015 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2015.

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 also no other issue of new shares or debentures during the financial year.

Directors' Report (Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

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

SHARE BUY-BACK

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

No shares were repurchased from the open market by the Company during the financial year.

DIRECTORS

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

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan Dato' Sri Kuan Peng Ching @ Kuan Peng Soon 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' Yip Kum Fook Mr. Lew Weng Ho

Dato' Dr. Mohd Aminuddin bin Mohd Rouse Tan Sri Datuk Seri Dr. Fong Chan Onn

(retired on 21 May 2014) Tan Sri Vincent Lee Fook Long (resigned on 31 March 2014)

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 in Malaysia were as follows:

Number of ordinary shares of RM1.00 each

	Balance			Balance
	as at			as at
Direct interests in the Company	1.1.2014	Bought	Sold	31.12.2014
Datin Linda Ngiam Pick Ngoh	500,800	-	(60,000)	440,800
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	-	-	100,000
Datuk Seri Wong Chun Wai	20,000	-	-	20,000

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

Number of ordinary shares of RM1.00 each

	Balance			Balance
	as at			as at
Indirect interests in the Company	1.1.2014	Bought	Sold	31.12.2014
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, other than benefit which may be deemed to have arisen by virtue of the related party transactions as disclosed in Note 33 to the financial statements.

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.
- (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

Directors' Report (Cont'd)

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

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONT'D)

- (c) The Directors are not aware of any circumstances (cont'd):
 - (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 would or may affect the abilities of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event 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.

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan **Datuk Seri Wong Chun Wai** Director Director

Petaling Jaya 18 March 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 109 to 219 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 2014 and of the 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 220 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,	
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan Director	Datuk Seri Wong Chun Wai Director
Petaling Jaya 18 March 2015	Director

STATUTORY DECLARATION

I, Ragesh Rajendran, being the officer primarily responsible for the financial management of Star Publications (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 109 to 220 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)	
declared by the abovenamed at)	
Petaling Jaya this)	
18 March 2015)	Ragesh Rajendran

Before me:

S.AROKIADASS

(No. B460)

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 2014 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 109 to 219.

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 at 31 December 2014 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STAR PUBLICATIONS (MALAYSIA) BERHAD (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

- (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.

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 MATTER

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

Chartered Accountants

Kuala Lumpur 18 March 2015 **Ooi Thiam Poh** 2495/01/16 (J)

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		(Group	Company		
		2014	2013	2014	2013	
	Note	RM'000	RM'000	RM'000	RM'000	
ASSETS						
Non-current assets						
Property, plant and equipment	7	476,621	507,295	458,004	486,441	
Investment properties	8	53,730	8,003	53,730	8,003	
Intangible assets	9	107,478	133,818	2,055	4,675	
Investments in subsidiaries	10	-	-	222,588	266,703	
Investments in associates	11	-	2,950	-	-	
Investment in a joint arrangement	12	143	143	509	509	
Other investments	13	42,104	50,687	42,104	50,687	
Other receivables	14	88,366	130,554	85,377	127,150	
Deferred tax assets	15	621	2,376	-	-	
Total non-current assets		769,063	835,826	864,367	944,168	
Current assets						
Inventories	16	97,363	117,161	96,460	116,456	
Other investment	13	5,000	5,000	5,000	5,000	
Trade and other receivables	14	175,730	201,717	115,582	135,762	
Current tax assets		1,802	278	-	-	
Cash and bank balances	17	621,354	538,117	462,679	419,046	
Total current assets		901,249	862,273	679,721	676,264	
TOTAL ASSETS		1,670,312	1,698,099	1,544,088	1,620,432	

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 (CONT'D)

		C	Group	Company		
		2014	2013	2014	2013	
	Note	RM'000	RM'000	RM'000	RM'000	
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Share capital	18	738,564	738,564	738,564	738,564	
Treasury shares	18	(1,633)	(1,633)	(1,633)	(1,633)	
Reserves	19	405,589	425,391	368,255	430,033	
		1,142,520	1,162,322	1,105,186	1,166,964	
Non-controlling interests		33,807	31,877	-	-	
TOTAL EQUITY		1,176,327	1,194,199	1,105,186	1,166,964	
Non-current liabilities						
Medium term notes	20	200,000	200,000	200,000	200,000	
Borrowings	21	4,172	4,966	-	1	
Other payables	23	3,395	8,569	-	-	
Deferred tax liabilities	15	62,433	66,785	62,482	66,866	
Total non-current liabilities		270,000	280,320	262,482	266,867	
Current liabilities						
Trade and other payables	23	154,442	155,265	173,037	180,498	
Borrowings	21	65,161	60,749	1	1	
Current tax payable		4,382	7,566	3,382	6,102	
Total current liabilities		223,985	223,580	176,420	186,601	
TOTAL LIABILITIES		493,985	503,900	438,902	453,468	
TOTAL EQUITY AND LIABILITIES		1,670,312	1,698,099	1,544,088	1,620,432	

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		G	iroup	Company		
		2014	2013	2014	2013	
	Note	RM'000	RM'000	RM'000	RM'000	
Revenue	24	1,013,737	1,025,330	695,782	748,809	
Cost of sales and services	25	(430,790)	(405,500)	(246,625)	(254,620)	
Gross profit		582,947	619,830	449,157	494,189	
Other income		33,774	29,592	31,295	47,295	
Distribution costs		(173,999)	(175,787)	(162,382)	(162,320)	
Administrative and other expenses		(278,575)	(269,962)	(200,162)	(157,640)	
Finance costs	26	(10,143)	(10,191)	(11,921)	(12,020)	
		154,004	193,482	105,987	209,504	
Share of losses of associates, net of tax	11	(583)	-	-	-	
Share of losses of a joint arrangement, net of tax	12	-	(896)	-	-	
Profit before tax	27	153,421	192,586	105,987	209,504	
Tax expense	28	(41,388)	(53,170)	(34,933)	(50,782)	
Profit for the financial year		112,033	139,416	71,054	158,722	
to profit or loss Fair value losses on available-for-sale financial assets		_	(261)			
Fair value losses on available-for-sale financial assets		-	(261)	-	-	
Foreign currency translations		4,465	1,010	-	-	
Total other comprehensive income, net of tax		4,465	749	-	-	
Total comprehensive income		116,498	140,165	71,054	158,722	
Profit attributable to:						
Owners of the parent		111,416	142,876	71,054	158,722	
Non-controlling interests		617	(3,460)	-	-	
		112,033	139,416	71,054	158,722	
Total comprehensive income attributable to:						
Owners of the parent		114,429	141,502	71,054	158,722	
Non-controlling interests		2,069	(1,337)	-	-	
		116,498	140,165	71,054		
		110,100	1 10,100	7 1,00 1	158,722	
Earnings per ordinary share attributable		110,100	110,100	71,004	158,722	
Earnings per ordinary share attributable to equity holders of the Company (sen):		110,100	110,100	71,007	158,722	

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

-	← 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	-	<u>-</u>	(261)	-	-	_	(261)	_	(261)
Foreign currency			,				,		`
translations, net of tax	-	-	-	(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				<u> </u>			<u></u>		
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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

Group	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at								
1 January 2014	738,564	(1,633)	21,116	1,172	403,103	1,162,322	31,877	1,194,199
Profit for the financial year	-	-	-	-	111,416	111,416	617	112,033
Foreign currency								
translations, net of tax	-	-	2,991	22	-	3,013	1,452	4,465
Total comprehensive income	-	-	2,991	22	111,416	114,429	2,069	116,498
Transactions with owners								
Additional investment in a subsidiary	-	-	-	-	(1,399)	(1,399)	(101)	(1,500)
Disposal of a subsidiary (Note 32)	_	-	-	-	-	-	(38)	(38)
Transfer of share option reserve	-	-	-	(377)	377	-	-	-
Dividends (Note 30)	-	-	-	-	(132,832)	(132,832)	-	(132,832)
Total transactions with owners	-	-	-	(377)	(133,854)	(134,231)	(139)	(134,370)
Balance as at 31 December 2014	738,564	(1,633)	24,107	817	380,665	1,142,520	33,807	1,176,327

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Share	Treasury	Retained		
		capital	shares	earnings	Total	
Company	Note	RM'000	RM'000	RM'000	RM'000	
Balance as at 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 2013/1 January 2014		738,564	(1,633)	430,033	1,166,964	
Total comprehensive income						
- Profit for the financial year		-	-	71,054	71,054	
Dividends	30	-	-	(132,832)	(132,832)	
Balance as at 31 December 2014		738,564	(1,633)	368,255	1,105,186	

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Gi	roup	Company		
		2014	2013	2014	2013	
	Note	RM'000	RM'000	RM'000	RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		153,421	192,586	105,987	209,504	
Adjustments for:		•	•	•	•	
Impairment losses on trade receivables	14(h)	1,192	1,488	484	110	
Reversal of impairment losses on trade receivables	14(h)	(598)	(1,296)	(46)	(13)	
Amortisation of intangible assets	9	12,197	10,359	2,554	1,745	
Bad debts written off		14	10	9,695	-	
Bad debts recovered	14(h)	(70)	-	-	-	
Depreciation of:	,	, ,				
- investment properties	8	246	246	246	246	
- property, plant and equipment	7	43,549	43,181	36,127	35,896	
Fair value gain on other investments		(1,051)	(1,057)	(1,051)	(1,057)	
Accretion of non-current other receivables		(4,200)	(4,200)	(4,200)	(4,200)	
Accretion of contingent considerations		606	970	-	-	
Impairment losses on:						
- intangible assets	9	19,062	-	2,297	-	
- investments in subsidiaries	10	-	-	44,124	6,941	
- investment in a joint arrangement	12	-	1,611	-	2,141	
- investments in associates	11	3,517	-	-	-	
- other receivables		3,450	-	3,450	-	
- property, plant and equipment	7	-	54	-	-	
Dividend income		-	-	-	(8,721)	
Interest expense	26	10,143	10,191	11,921	12,020	
Interest income		(6,761)	(7,647)	(6,609)	(7,006)	
Investment income		(11,177)	(7,574)	(11,177)	(7,574)	
(Gain)/Loss on disposal of:						
- investment in a subsidiary	32	2,537	-	1,366	(7,022)	
- other investments		(81)	-	(81)	-	
- intangible assets		-	(2)	-	-	
- available-for-sale financial assets		-	(143)	-	-	
Net loss/(gain) on disposal of property, plant						
and equipment	7	217	(19)	205	(96)	
Computer software written off	9(d)	4	-	-	-	
Property, plant and equipment written off	7	191	1,354	32	55	
Share of losses in associates, net of tax	11	583	-	-	-	
Unrealised loss/(gain) on foreign exchange						
transactions		512	-	(1,976)	(5,818)	
Share of losses in a joint arrangement, net of tax	12	-	896	-	-	
Operating profit before working capital changes		227,503	241,008	193,348	227,151	

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		Group		Company	
	Note	2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(cont'd)					
Operating profit before working capital changes					
(cont'd)		227,503	241,008	193,348	227,151
Changes in working capital:					
Inventories		19,813	43,147	19,996	43,180
Trade and other receivables		32,433	8,376	19,373	(4,136)
Trade and other payables		(9,986)	(23,921)	(6,922)	6,912
Cash generated from operations		269,763	268,610	225,795	273,107
Tax paid		(48,925)	(59,309)	(42,008)	(52,412)
Tax refunded		12	288	-	-
Net cash from operating activities		220,850	209,589	183,787	220,695
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and					
equipment		1,309	2,213	1,067	502
Proceeds from disposal of computer software		-	19	-	-
Proceeds from disposal of a subsidiary		125	-	125	7,022
Proceeds from disposal of available-for-sale financia	al				
assets		-	6,128	-	-
Proceeds from disposal of other investment		1,723	-	1,723	-
Purchases of property, plant and equipment	7(b)	(13,937)	(18,569)	(8,968)	(13,438)
Purchases of other investments		(5,417)	(5,451)	(5,417)	(5,451)
Purchases of intangible assets	9	(5,934)	(7,614)	(1,081)	(3,546)
Acquisition of subsidiaries, net of cash acquired	31	-	(12,296)	-	(5,000)
Additional investment in a subsidiary		(1,500)	(4,800)	-	-
Additional investments in associates	11	(1,150)	(1,400)	-	-
Other investment redeemed upon maturity		8,361	5,000	8,361	5,000
Dividend received		-	-	-	8,721
Advances to subsidiaries		-	-	(10,249)	(24,339)
Interest received		6,622	7,812	5,593	5,985
Investment income received		11,177	7,754	10,825	7,754
Deposits placed with licensed banks with original					
maturity of more than three (3) months		(16,927)	(6,712)	(23,000)	
Net cash used in investing activities		(15,548)	(27,916)	(21,021)	(16,790)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments for hire purchase and finance lease liabilities		(1,200)	(1,841)	(1)	-
Repayments of bank loan		(8,511)	(22,406)	-	-
Drawdown of bank loan		11,803	22,987	-	-
Repurchase of shares	18	-	(1,050)	-	(1,050)
Interest paid		(10,143)	(10,495)	(9,300)	(9,275)
Dividends paid	30	(132,832)	(110,738)	(132,832)	(110,738)
Net cash used in financing activities		(140,883)	(123,543)	(142,133)	(121,063)
Net increase in cash and cash equivalents		64,419	58,130	20,633	82,842
Effects of exchange rate fluctuations on cash and					
cash equivalents		2,040	(432)	-	-
Cash and cash equivalents at beginning of financial year		526,589	468,891	416,046	333,204
Cash and cash equivalents at end of financial year	17(c)	593,048	526,589	436,679	416,046

31 DECEMBER 2014

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, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2014 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. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 18 March 2015.

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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. 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, the accounting policies of the 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 off 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.

31 DECEMBER 2014 (CONT'D)

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 remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

31 DECEMBER 2014 (CONT'D)

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 asset would flow to the Group and the cost of the asset could 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 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 period and annual rate are as follows:

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

Freehold land has unlimited useful life and is not depreciated. Plant and building under construction is stated at cost and is not depreciated until such time when the asset is available for use.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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).

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.

31 DECEMBER 2014 (CONT'D)

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 also include properties that are being constructed or developed for future use as investment properties. 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 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 shall be 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.

31 DECEMBER 2014 (CONT'D)

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 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.

31 DECEMBER 2014 (CONT'D)

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 remeasured. 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.

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.

31 DECEMBER 2014 (CONT'D)

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 the net 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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Intangible assets (cont'd)

(a) Goodwill (cont'd)

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.

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 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 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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

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

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Radio licences

Radio licences acquired have finite useful lives 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 internet portal 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:

70% Upon first year from theatrical release Upon second year from theatrical release 20% Upon third year from theatrical release 10%

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries, associate 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.

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 the 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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 overhead costs.

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.

4.11 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 Cash and cash equivalents

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

4.13 Financial instruments

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

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

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

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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.13 Financial instruments (cont'd)

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.

Financial assets

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

Financial assets at fair value through profit or loss

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

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

However, derivatives that 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.

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.

Loans and receivables (iii)

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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.13 Financial instruments (cont'd)

- Financial assets (cont'd)
 - 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.

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 categories after initial recognition for the purpose of subsequent measurement:

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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Financial instruments (cont'd)

- Financial liabilities (cont'd)
 - Financial liabilities at fair value through profit or loss (cont'd)

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

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 expired. 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.

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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Financial instruments (cont'd)

(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.

4.14 Impairment of financial assets

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

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

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, 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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.14 Impairment of financial assets (cont'd)

Held-to-maturity investments and loans and receivables (cont'd)

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.

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 availablefor-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.

4.15 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.16 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, and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

Current tax (a)

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), and real property gains taxes payable on disposal of properties, if any.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Income taxes (cont'd)

(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 would 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 would 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 would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would 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 would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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.

4.17 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 would be required to settle the obligation, the provision would be reversed.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Provisions (cont'd)

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.

4.18 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would 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 would 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 would 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.

4.19 Employee benefits

Short term employee benefits (a)

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.

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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 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 would 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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.19 Employee benefits (cont'd)

Termination benefits (cont'd)

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:

- 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.
- 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.

4.20 Foreign currencies

Functional and presentation currency (a)

> 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.

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 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 nonmonetary 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.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Foreign currencies (cont'd)

(c) Foreign operations (cont'd)

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.

4.21 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.

(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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 Revenue recognition (cont'd)

(C) **Projects**

Revenue and expenses from contract works of event management, exhibition services and thematic are recognised based on the percentage of completion method. Percentage of completion is measured by the percentage of contract costs incurred to date against the total estimated costs for each contract. 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 would 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 would be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

Interest income (d)

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

Dividend income (e)

Dividend income is recognised when the rights to receive payment is established.

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.

Commission income (a)

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

4.22 Operating segments

Operating segments are defined as components of the Group that:

- Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- 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
- For which discrete financial information is available.

31 DECEMBER 2014 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 Operating segments (cont'd)

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 percent (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.

4.23 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.

31 DECEMBER 2014 (CONT'D)

SIGNIFICANT ACCOUNTING POLICIES (CONT'D) 4.

4.24 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:

- The condition and location of the asset: and (a)
- (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 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
- 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.

ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs 5.

5.1 New MFRSs adopted during the 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 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 <i>Levies</i>	1 January 2014

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

31 DECEMBER 2014 (CONT'D)

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

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2015

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 119 Defined Benefit Plans: Employee Contributions	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
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates	
or Joint Venture	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRSs Annual Improvements to 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities; Applying the Consolidation Exception	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018

The Group is in the process of assessing the impact of implementing these Standards, as 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 in 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.

31 DECEMBER 2014 (CONT'D)

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

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

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

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

(b) 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.

(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.

31 DECEMBER 2014 (CONT'D)

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

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 the Group's weighted average cost of capital plus a reasonable risk premium at the date of assessment of the value-in-use of the subsidiaries. These discount rates have consistently been used by management as the benchmark rates in project appraisals of the subsidiaries.

Further details are disclosed in Note 9(a) to the financial statements.

(b) Useful lives of property, plant and equipment

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

(c) Income taxes

The Group is subject to income taxes in a few jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences would 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 unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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.

31 DECEMBER 2014 (CONT'D)

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

6.3 Key sources of estimation uncertainty (cont'd)

(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.

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 would 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 arrangement

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.

(h) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 39 to the financial statements.

31 DECEMBER 2014 (CONT'D)

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

6.3 Key sources of estimation uncertainty (cont'd)

(h) Fair values of borrowings (cont'd)

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) 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); and
- (iii) 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).

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 measures financial instruments in the financial statements at fair value.

31 DECEMBER 2014 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

						Furniture,			
						fittings and equipment,		Plant and	
			Long			renovations	Exhibition	building	
	Freehold	Freehold	leasehold	Leasehold	Plant and	and motor	services	under	
Group	land	buildings	land	buildings	machinery	vehicles		construction	Total
2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January	46,447	126,918	4,801	21,877	633,449	147,240	15,218	20	995,970
Additions	-	178	_	-	5,554	7,351	1,386	-	14,469
Disposals	-	-	-	-	-	(4,481)	(159)	-	(4,640)
Write off	-	-	-	-	(713)	-	(630)	-	(3,041)
Exchange adjustments	-	-	-	-	11	1,065	449	-	1,525
At 31 December	46,447	127,096	4,801	21,877	638,301	149,477	16,264	20	1,004,283
Accumulated depreciation									
At 1 January	-	29,819	1,233	5,339	318,376	121,906	10,195	-	486,868
Charge for the									
financial year	-	2,540	53	449	29,437	9,130	1,940	-	43,549
Disposals	-	-	-	-	-	(3,008)	(106)	-	(3,114)
Write off	-	-	-	-	(713)	(1,601)	(536)	-	(2,850)
Exchange adjustments	-	-	-	-	10	1,022	352	-	1,384
At 31 December	-	32,359	1,286	5,788	347,110	127,449	11,845	-	525,837
Accumulated impairment									
At 1 January	_	-	-	-	928	6	873	-	1,807
Exchange adjustments	-	-	-	-	1	-	17	-	18
At 31 December	-	-	-	-	929	6	890	-	1,825
Carrying amount									
At 31 December	46,447	94,737	3,515	16,089	290,262	22,022	3,529	20	476,621

31 DECEMBER 2014 (CONT'D)

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

Group 2013	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	Plant and building under construction RM'000	Total RM'000
Cost									
At 1 January Additions	46,447 -	126,918 -	4,801 -	21,877 -	626,359 7,157	149,432 9,756	19,201 1,638	- 20	995,035 18,571
Acquisition of a subsidiary (Note 31(a))					_	164	_		164
	-	-	-	-				<u>-</u>	
Disposals	-	-	-	-	(11)	(4,855)	(3,237)		(8,103)
Write off Reclassification to intangible assets	-	-	-	-	(86)	(6,810)	(3,042)	-	(9,938)
(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	-	27,281	1,181	4,890	289,069	123,335	12,251	-	458,007
Charge for the									
financial year	-	2,538	52	449	29,368	8,983	1,791	-	43,181
Disposals	-	-	-	-	(3)	(3,776)	(2,130)	-	(5,909)
Write off	_	-	-	_	(86)	(6,307)	(2,191)	-	(8,584)
Exchange 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 Charge for the	-	-	-	-	880	-	843	-	1,723
financial year	_	_	-	_	48	6	_	_	54
Exchange 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

31 DECEMBER 2014 (CONT'D)

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

Company 2014	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	Plant and building under construction RM'000	Total RM'000
Cost								
At 1 January	46,447	126,918	4,801	21,877	604,304	115,045	20	919,412
Additions	-	178	-	-	4,472	4,318	-	8,968
Disposals	-	-	-	-	-	(4,036)	-	(4,036)
Transfer to subsidiaries	-	-	-	-	-	(11)	-	(11)
Transfer from subsidiary	-	-	-	-	-	28	-	28
Write off	-	-	-	-	(82)	(1,024)	-	(1,106)
At 31 December	46,447	127,096	4,801	21,877	608,694	114,320	20	923,255
Accumulated depreciation								
At 1 January	-	29,819	1,233	5,339	298,729	97,851	-	432,971
Charge for the financial year	-	2,540	53	449	27,572	5,513	-	36,127
Disposals	-	-	-	-	-	(2,764)	-	(2,764)
Transfer to subsidiaries	-	-	-	-	-	(9)	-	(9)
Write off	-	-	-	-	(82)	(992)	-	(1,074)
At 31 December	_	32,359	1,286	5,788	326,219	99,599	-	465,251
Carrying amount								
At 31 December	46,447	94,737	3,515	16,089	282,475	14,721	20	458,004

31 DECEMBER 2014 (CONT'D)

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

Company	Freehold land	Freehold buildings	Long leasehold land	Leasehold buildings	Plant and machinery	Furniture, fittings and equipment, renovations and motor vehicles	Plant and building under	Total
2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

31 DECEMBER 2014 (CONT'D)

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

- (a) The titles of freehold buildings of the Group and the Company with carrying amount of RM41,060,000 (2013: RM42,175,000) 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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	14,469	18,571	8,968	13,440
Financed by hire purchase and finance lease arrangements	(532)	(2)	-	(2)
Cash payments on purchase of property, plant and equipment	13,937	18,569	8,968	13,438

(c) As at 31 December 2014, the carrying amount of the Group's property, plant and equipment under hire purchase or finance lease are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Plant and machinery	3,710	4,023	2	2
Furniture, fittings and equipment, renovations				
and motor vehicles	1,261	680	-	-
	4,971	4,703	2	2

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

8. INVESTMENT PROPERTIES

	Group and	d Company
	2014	2013
	RM'000	RM'000
Cost		
Balance as at 1 January/31 December	9,852	9,852
Accumulated depreciation		
Balance as at 1 January	(1,849)	(1,603)
Depreciation charge for the financial year	(246)	(246)
Balance as at 31 December	(2,095)	(1,849)
	7,757	8,003
Investment property under construction	45,973	-
Carrying amount	53,730	8,003

31 DECEMBER 2014 (CONT'D)

8. INVESTMENT PROPERTIES (CONT'D)

The title of a freehold building of the Group and the Company with a carrying amount of RM2,811,000 (2013: RM2,880,000) has yet to be issued by the relevant authority.

The fair value of investment properties excluding the investment property under construction is RM25,450,000 (2013: RM25,820,000). 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 ar	nd Company
	2014	2013
	RM'000	RM'000
Rental income	581	613
Direct operating expenses incurred on:		
- income generating investment properties	122	103
- non-income generating investment properties	5	4

9. INTANGIBLE ASSETS

		G	roup	Cor	mpany
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Goodwill on consolidation	а	97,443	112,238	-	-
Radio licences	b	-	8,366	-	-
Television programmes rights	С	5,656	5,397	-	-
Computer software	d	2,868	3,302	2,055	2,275
Film rights	е	-	2,400	-	2,400
Internet portal	f	1,511	2,115	-	-
		107,478	133,818	2,055	4,675

31 DECEMBER 2014 (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:

	G	roup
	2014	2013
	RM'000	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	50,183	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
Acquisition of a subsidiary - Exhibition services (Singapore subsidiaries) - CGU 4 (Note 31(b)) - Online portal - CGU 8 (Note 31(a))	- - -	9,833 9,952
		0,002
Disposal of a subsidiary	4	
- Chinese mass media - CGU 6 (Note 32)	(2,467)	-
	(2,467)	-
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	50,183
- Television channel - CGU 5	24,355	24,355
- Chinese mass media - CGU 6	-	2,467
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	156,383	158,850
Exchange differences	2,447	2,348
	158,830	161,198

31 DECEMBER 2014 (CONT'D)

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):

	Group	
	2014	2013
	RM'000	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	30,280
- Television channel - CGU 5	11,940	11,940
	48,707	48,707
mpairment losses recognised during the year		
- Television channel - CGU 5	12,415	
	12,415	-
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	24,355	11,940
	61,122	48,707
Exchange differences	265	250
	61,387	48,960
Carrying amount	97,443	112,238
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	19,900
Television channel - CGU 5	· -	12,415
- Chinese mass media - CGU 6	-	2,467
Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,87
Online portal - CGU 8	9,833	9,830
Exchange differences	2,182	2,098
	97,443	112,238

31 DECEMBER 2014 (CONT'D)

9. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (cont'd)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs based on value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions:

- The value-in-use calculations apply discounted cash flow projections prepared and approved by management, covering a
- (ii) Cash flows are projected based on management's expectations of revenue growth, operating cost and margins based on their recent experience.
- (iii) Discount rates used for cash flows discounting purpose is the Group's weighted average cost of capital plus a reasonable risk premium at the date of assessment of the CGU. The average discount rate applied on the cash flow projections is 8.30%.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

(b) Radio licences

	Group	
	2014	
	RM'000	RM'000
Cost		
Balance as at 1 January/31 December	25,192	25,192
Accumulated amortisation		
Balance as at 1 January	16,826	12,810
Charge for the financial year	4,016	4,016
Balance as at 31 December	20,842	16,826
Accumulated impairment		
Balance as at 1 January	-	-
Charge for the financial year	4,350	-
Balance as at 31 December	4,350	-
Carrying amount	-	8,366

31 DECEMBER 2014 (CONT'D)

9. INTANGIBLE ASSETS (CONT'D)

(c) Television programmes rights

	Group	
	2014	2013
	RM'000	RM'000
Cost		
Balance as at 1 January	12,184	8,208
Additions	4,552	3,354
Exchange differences	762	622
Balance as at 31 December	17,498	12,184
Accumulated amortisation		
Balance as at 1 January	6,787	2,377
Charge for the financial year	4,495	4,127
Exchange differences	560	283
Balance as at 31 December	11,842	6,787
Carrying amount	5,656	5,397

(d) Computer software

	Group		Cor	Company		
	2014	2013	2014	2013		
	RM'000	RM'000	RM'000	RM'000		
Cost						
Balance as at 1 January	11,524	8,171	10,302	8,064		
Additions during the financial year	1,382	2,910	1,081	2,196		
Transfer from subsidiaries	-	-	-	42		
Reclassification from property,						
plant and equipment (Note 7)	-	213	-	-		
Acquisition of a subsidiary (Note 31(a))	-	266	-	-		
Write off	(8)	-	-	-		
Disposals	-	(36)	-	-		
Exchange differences	19	-	-	-		
Balance as at 31 December	12,917	11,524	11,383	10,302		
Accumulated amortisation						
Balance as at 1 January	8,222	6,326	8,027	6,282		
Amortisation charge for the financial year	1,829	1,914	1,301	1,745		
Write off	(4)	-	-	-		
Disposals	-	(19)	-	-		
Exchange differences	2	1	-	-		
Balance as at 31 December	10,049	8,222	9,328	8,027		
Carrying amount	2,868	3,302	2,055	2,275		

31 DECEMBER 2014 (CONT'D)

9. INTANGIBLE ASSETS (CONT'D)

(e) Film rights

	Group ar	nd Company	
	2014	2013	
	RM'000	RM'000	
Cost			
Balance as at 1 January	2,400	-	
Reclassification from other receivables	1,150	1,050	
Additions	-	1,350	
Balance as at 31 December	3,550	2,400	
Accumulated amortisation			
Balance as at 1 January	-	-	
Charge for the financial year	1,253	-	
Balance as at 31 December	1,253	-	
Accumulated impairment			
Balance as at 1 January	-	-	
Charge for the financial year	2,297	-	
Balance as at 31 December	2,297	-	
Carrying amount	<u> </u>	2,400	

(f) Internet portal

	Group	
	2014	
	RM'000	RM'000
Cost		
Balance as at 1 January	2,417	-
Acquisition of a subsidiary (Note 31(a))	-	2,417
Balance as at 31 December	2,417	2,417
Accumulated amortisation		
Balance as at 1 January	302	-
Charge for the financial year	604	302
Balance as at 31 December	906	302
Carrying amount	1,511	2,115

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES

	Cor	npany
	2014	2013
	RM'000	RM'000
Unquoted shares - at cost	182,689	184,180
Less: Accumulated impairment losses	(53,472)	(9,348)
	129,217	174,832
Equity loans	93,371	91,871
	222,588	266,703

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 RM1,500,000 (2013: RM91,871,000) 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 investments, net of impairment, in providing the subsidiaries with a long term source of additional capital.

(a) The subsidiaries are as follows:

		Interest in equity held by				
	Country of	Com	pany	Subs	idiary	
Name of Company	incorporation	2014	2013	2014	2013	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

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		I	nterest in e	Interest in equity held by			
	Country of	Com	Company		idiary		
Name of Company	incorporation	2014	2013	2014	2013	Principal activities	
Acacia Forecast (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive	
Capital FM Sdn. Bhd.	Malaysia	80%	80%	-	-	Operating a wireless radio broadcasting station	
Li TV Holdings Limited.(1)	Hong Kong	51%	51%	-	-	Investment holding	
Red Tomato Media Sdn. Bhd. ^{(2)*}	Malaysia	-	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%	100%	-	-	Invest in high growth technology based start-ups	
Magnet Bizz Sdn. Bhd. (f.k.a. Star Print Sdn. Bhd.)	Malaysia	100%	100%	-	-	Publishers of magazines and books	
I.Star Events Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive	
Venus Agency Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive	
Jana Multimedia Sdn. Bhd.#	Malaysia	100%	-	-	-	Inactive	

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Country of		nterest in e pany	quity held by Subsi		
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
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. (f.k.a. JustJobs Sdn. Bhd.)	Malaysia	-	-	100%	100%	Online advertising
Ocision Sdn. Bhd.	Malaysia	-	-	100%	90%	Designing and developing software applications and platforms and providing interactive marketing services
Subsidiaries of Ocision Sdn. Bhd.						
iBilik Sdn. Bhd.	Malaysia	-	-	100%	100%	E-commerce activities/ online portal
Propwall Sdn. Bhd.	Malaysia	-	-	100%	100%	Online property portal
Carsifu Sdn. Bhd.	Malaysia	-	-	100%	100%	Online car portal
Ocision Pte. Ltd.	Singapore	-	-	100%	100%	Developing and provision of e-commerce activities and services
Subsidiary of I.Star Sdn. Bhd.						
Star Online Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		ı	nterest in e	quity held by	У		
	Country of	Com	Company Subs				
Name of Company	incorporation	2014	2013	2014	2013	Principal activities	
Subsidiaries of Star Media Radio Group Sdn. Bhd.							
Star Rfm Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station	
Rimakmur Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station	
Subsidiary of Excel Corporation (Australia) Pty. Ltd.							
AIUS Pty. Ltd.(1)	Australia	-	-	100%	100%	Inactive	
Subsidiary of Impian Ikon (M) Sdn. Bhd.							
Leaderonomics Sdn. Bhd.	Malaysia	-	-	51%	51%	Provision of human capital development services including training and consultancy	
Subsidiaries of Leaderonomics Sdn. Bhd.							
Leaderonomics Media Sdn. Bhd.	Malaysia	-	-	100%	100%	Produce, develop, distribute, market and deal with materials and contents related to leadership programmes or any business of human capital development including training of any form and consultancy of all kinds	

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		I	y			
	Country of	Com	Company		idiary	
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
Subsidiaries of Leaderonomics Sdn. Bhd. (cont'd)						
Leaderonomics International Sdn. Bhd.#	Malaysia	-	-	100%	-	Carry on the business of human capital development including training and consultancy in Malaysia and/or internationally
Subsidiary of Laviani Pte. Ltd.						
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

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		ı				
	Country of	Com	pany	Subs	idiary	
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Contracts Sdn. Bhd. ⁽²⁾	Malaysia	-	-	100%	100%	Provision of exhibitions and event management services, including rental of reusable modules and furnishings, roadshows and custom-built pavilions
Cityneon Events Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of management, projects, logistics and ownership service for events and festivals
Themewerks Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Design, build, construct, manufacture, trade in project and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets
Cityneon (Middle East) W.L.L. ⁽²⁾	Bahrain	-	-	100%	100%	Provision of exhibition services including rental of reusable modules and furnishings, custom-built pavilions and roadshows
Cityneon Creations Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of design and build services for custom-built exhibition pavilions and roadshows

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

		ı				
	Country of	Com	pany	Subs	idiary	
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Exhibition Services (Vietnam) Co. Ltd. ⁽¹⁾	Vietnam	-	-	100%	100%	Providing on interior and exterior decoration for offices, commercial buildings, shop, museums and theme parks
PT. Wonderful World Marketing Services Indonesia ⁽²⁾	Indonesia	-	-	100%	100%	Provision of business and consultancy services
Cityneon Management Services Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of management, human resource and general office administrative services
Cityneon Exhibition Services Pte. Ltd. ⁽¹⁾	Singapore	-	-	100%	100%	Provision of exhibition services including rental of reusable modules, furnishings and furnitures
Cityneon Vietnam Company Limited. ⁽¹⁾	Vietnam	-	-	100%	100%	Provision of project management services (other than for construction) and to engage in the installation, assembly, building completion and finishing works

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Interest in equity held by					
	Country of	Com	pany	Subsi	idiary	
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Shelter Events (Shenzhen) Pte. Ltd. (2)	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. (2)	Brunei	-	-	90%	90%	Provision of general, civil engineering and building contractors
Bahrain Cityneon Co. W.L.L. ^{(2)#}	Bahrain	-	-	100%	-	Interior design for offices and homes, and third grade décor contracts
Cityneon Myanmar Company Limited ^{(2)#}	Myanmar	-	-	100%	-	Provision of interior fit-out services, exhibition and event services

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	Interest in equity held by Country of Company Subsidiary					
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
Subsidiaries of Cityneon Exhibition Services Pte. Ltd.						
E-Graphics Displays Pte. Ltd. ⁽¹⁾	Singapore	-	-	60%	60%	Designer and production of environmental graphic materials including banners, posters, billboards and general signages for event and exhibition venues
Shanghai Cityneon Exhibition Services Co. Ltd. ⁽²⁾	China	-	-	100%	100%	Designer and provider of services for trade fairs, exhibitions and displays
Subsidiary of Cityneon (Middle East) W.L.L.						
C.N. Overseas Services W.L.L. ⁽²⁾	Bahrain	-	-	100%	100%	Provision of contracting, designing and executing exhibition decoration and structure; renting services for international exhibitions fixtures, import, export and sales of décor materials
Subsidiary of Themewerks Pte. Ltd.						
Artscapes Themewerks Pte. Ltd ⁽¹⁾	Singapore	-	-	65%	65%	Design, build, construct, manufacture, trade in projects and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The subsidiaries are as follows (cont'd):

		ı	nterest in e	quity held by	y	
	Country of	Com	pany	Subs	idiary	
Name of Company	incorporation	2014	2013	2014	2013	Principal activities
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%	Operating a regional pay/cable television channel

⁽¹⁾ Audited by member firms of BDO International.

Not audited by BDO or member firms of BDO International.

Further information on the disposal is detailed in Note 32 to the financial statements.

The effects of these acquisition/incorporation are immaterial to the Group.

31 DECEMBER 2014 (CONT'D)

10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) Impairment losses on investments in subsidiaries totalling RM44,124,000 have been recognised in respect of certain subsidiaries during the financial year due to declining business operations. The recoverable amounts of these subsidiaries were based on their value-in-use amounts.
- (c) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Cityneon Holdings Limited	Li TV Holdings Limited	Leaderonomics Sdn. Bhd.	Other individual immaterial subsidiaries	Total
2014					
NCI percentage of ownership interest and voting interest	35.92%	49.00%	49.00%		
Carrying amount of NCI (RM'000)	25,181	912	4,131	3,583	33,807
Profit/(Loss) allocated to NCI (RM'000)	2,124	(3,288)	586	1,195	617
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/(Loss) allocated to NCI (RM'000)	601	(3,113)	781	(1,729)	(3,460)

11. INVESTMENTS IN ASSOCIATES

	Group	
	2014	2013
	RM'000	RM'000
Unquoted equity shares, at cost	4,100	2,950
Less: Impairment losses recognised during the year	(3,517)	-
Add: Share of post-acquisition losses, net of dividends received	(583)	
	-	2,950

31 DECEMBER 2014 (CONT'D)

11. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	Country of	equity	est in held by idiary	
Name of Company	incorporation	2014	2013	Principal activities
Voxy Labs Sdn. Bhd. ⁽¹⁾	Malaysia	49%	33%	Advisors, consultants and development for information technology related activities
Loanstreet Sdn. Bhd. (1)	Malaysia	20%	14%	Agents to undertake and perform sub-contracts
H&H Connection Sdn. Bhd. (1)	Malaysia	30%	22%	Online retailer
Geob International Sdn. Bhd. (1)	Malaysia	20%	13%	Distributors or dealers of medical products, electronic devices and engineering specialities

Not audited by BDO or member firms of BDO International.

- (b) Impairment losses on investments in associates amounting to RM3,517,000 have been recognised during the financial year due to declining business operations. The recoverable amounts of the associates were based on their value-in-use amount.
- (c) The summarised financial information of the associates are as follows:

	Gi	roup
	2014	2013
	RM'000	RM'000
Assets and liabilities		
Non-current assets	292	50
Current assets	612	1,499
Total assets	904	1,549
Current liabilities	281	323
Total liabilities	281	323
Results		
Revenue	332	161
Expenses, including finance costs and tax expense	(2,234)	(889)

31 DECEMBER 2014 (CONT'D)

12. INVESTMENT IN A JOINT ARRANGEMENT

	Group		Company											
	2014	2014 2013 2014	2014 2013	2014 2013 2014	2014 2013 2014	2014 2013	2014 2013 2014	2014 2013 2014	2014 2013 2014	2014 2013	2014 2013 2014	2014 2013 2014	2014	2013
	RM'000	RM'000	RM'000	RM'000										
Unquoted equity shares,at cost	20,006	20,006	20,006	20,006										
Accumulated impairment losses	(1,675)	(1,675)	(19,497)	(19,497)										
Share of post acquisition losses, net of dividends received	(18,188)	(18,188)	-	-										
	143	143	509	509										

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

	Country of	equity	est in held by ipany	
Name of Company	incorporation	2014	2013	Principal activity
701Panduan Sdn. Bhd. ⁽¹⁾	Malaysia	50%	50%	Provide directory services through internet, mobile and other platforms

- (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. As at 31 December 2014, the joint venture is still in the process of winding up.
- (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:

	2014	2013
	RM'000	RM'000
Assets and liabilities		
Current assets	4,727	4,727
Total assets	4,727	4,727
Current liabilities	1,219	1,219
Total liabilities	1,219	1,219
Results		
Revenue	-	96
Expenses, including finance costs and tax expense	-	(1,888)

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

31 DECEMBER 2014 (CONT'D)

13. OTHER INVESTMENTS

	Group and Compa	
	2014	2013
	RM'000	RM'000
Non-current		
Financial assets at fair value through profit or loss		
Within Malaysia		
- Quoted investment funds	36,643	40,042
- Quoted equity investment	3,930	4,114
	40,573	44,156
Outside Malaysia		
- Unquoted equity investment	1,531	1,531
	42,104	45,687
Financial assets held to maturity		
- 5.50% p.a. Malaysian quoted investment funds due on 27 February 2015	-	5,000
	-	5,000
Total non-current other investments	42,104	50,687
Current		
Financial assets held to maturity		
- 5.50% p.a. Malaysian quoted investment funds due on 27 February 2015	5,000	-
- 4.38% p.a. Malaysian quoted investment funds due on 14 November 2014	-	5,000
Total current other investments	5,000	5,000
Total other investments	47,104	55,687

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

31 DECEMBER 2014 (CONT'D)

14. TRADE AND OTHER RECEIVABLES

		Gı	oup	Con	npany
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Other receivables	а	88,366	130,554	85,377	127,150
Current					
Trade					
Third parties	b	110,352	137,930	66,768	83,101
Subsidiaries		-	-	240	316
Related parties		1,433	2,140	1,382	2,048
Amount due from customers for contract works	С	22,139	17,703	-	-
		133,924	157,773	68,390	85,465
Less: Impairment losses					
- Third parties	g, h	(2,811)	(2,916)	(667)	(498)
		131,113	154,857	67,723	84,967
Non-trade					
Third parties		32,428	28,258	9,581	5,273
Amounts owing by subsidiaries	е	-	-	77,525	78,415
		32,428	28,258	87,106	83,688
Less: Impairment losses					
- Third parties		(3,498)	(52)	(3,450)	-
- Subsidiaries		-	-	(42,866)	(42,866)
		28,930	28,206	40,790	40,822
Sundry deposits and other receivables		6,834	6,498	2,147	1,918
Prepayments		8,853	12,156	4,922	8,055
		44,617	46,860	47,859	50,795
		175,730	201,717	115,582	135,762
	f	264,096	332,271	200,959	262,912

⁽a) Included in other receivables is an amount of RM85,377,000 (2013: RM127,150,000) which 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.

⁽b) The credit terms of trade receivables range from payment in advance to credit period of 90 days (2013: 90 days). Trade receivables are recognised at their original invoice amount which represents their fair values on initial recognition.

31 DECEMBER 2014 (CONT'D)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Group	
	2014	2013
	RM'000	RM'000
Aggregate costs incurred to date	153,876	194,741
Add: Attributable profits	38,977	44,626
	192,853	239,367
Less: Progress billings	(175,687)	(226,960)
	17,166	12,407
Represented by:		
Amount due from customers for contract works	22,139	17,703
Amount due to customers for contract works (Note 23)	(4,973)	(5,296)
	17,166	12,407

As at 31 December 2014, retention monies held by customers for contract works amounted to RM9,449,000 (2013: RM6,098,000).

- (d) The impairment losses on trade receivables of the Group and the Company is net of bad debts written off amounting to RM678,000 (2013: RM8,225,000) and RM269,000 (2013: RM7,816,000) 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 RM14,971,000 (2013: RM17,070,000) which is subject to interest at a rate of 3.93% (2013: 3.55%) per annum.
- (f) Information on financial risks of trade and other receivables is 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:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	99,868	125,095	66,118	80,645
Past due, not impaired				
> 90 days	7,300	8,900	800	2,908
> 120 days	688	1,928	338	763
> 180 days	1,118	1,231	467	651
	9,106	12,059	1,605	4,322
Past due and impaired	2,811	2,916	667	498
	111,785	140,070	68,390	85,465

31 DECEMBER 2014 (CONT'D)

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		Company Individually impaired	
	2014 RM'000	2013	2014 RM'000	2013
		RM'000		RM'000
Trade receivables, gross	2,811	2,916	667	498
Less: Impairment losses on trade receivables	(2,811)	(2,916)	(667)	(498)
	-	-	-	-

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

	Group		Con	Company	
	2014 RM'000		2014	2013	
			RM'000	RM'000	
At 1 January	2,916	10,918	498	8,217	
Charge for the financial year (Note 27)	1,192	1,488	484	110	
Write off	(678)	(8,225)	(269)	(7,816)	
Reversal of impairment losses on					
trade receivables (Note 27)	(598)	(1,296)	(46)	(13)	
Bad debts recovered (Note 27)	(70)	-	-	-	
Exchange differences	49	31	-	-	
At 31 December	2,811	2,916	667	498	

31 DECEMBER 2014 (CONT'D)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	G	Group		mpany
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	182,750	238,322	177,323	236,836
Singapore Dollar	23,930	20,829	18,420	17,761
Australian Dollar	-	1	-	-
United States Dollar	9,998	11,452	285	252
Euro	203	58	2	-
Pound Sterling	3	4	7	7
Bahrain Dinar	27,369	29,058	-	-
Omani Rial	1,695	6,883	-	1
Chinese Renminbi	6,987	8,529	-	-
Vietnam Dong	1,122	1,252	-	-
Qatari Riyal	-	264	-	-
Others	1,186	3,463	-	-
	255,243	320,115	196,037	254,857

15. DEFERRED TAX

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	64,409	67,777	66,866	68,254
Recognised in profit or loss (Note 28)	(2,829)	(3,366)	(4,384)	(1,388)
Disposal of a subsidiary (Note 32)	230	-	-	-
Recognised in other comprehensive income	-	-	-	-
Exchange differences	2	(2)	-	-
Balance as at 31 December	61,812	64,409	62,482	66,866
Presented after appropriate offsetting:				
Deferred tax assets, net	(621)	(2,376)	-	-
Deferred tax liabilities, net	62,433	66,785	62,482	66,866
	61,812	64,409	62,482	66,866

31 DECEMBER 2014 (CONT'D)

15. DEFERRED TAX (CONT'D)

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

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2014	76,327	14	(9,556)	66,785
Recognised in profit or loss	(7,549)	-	3,195	(4,354)
Exchange differences	2	-	-	2
At 31 December 2014	68,780	14	(6,361)	62,433
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

Deferred tax assets of the Group

	Unused tax				
	losses and				
	unabsorbed	Accrual	Other		
	capital	for	temporary	Set-off	
	allowances	staff costs	differences	of tax	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	(2,929)	(9,747)	744	9,556	(2,376)
Recognised in profit or loss	2,328	3,434	(1,042)	(3,195)	1,525
Disposal of a subsidiary	-	-	230	-	230
At 31 December 2014	(601)	(6,313)	(68)	6,361	(621)
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)

31 DECEMBER 2014 (CONT'D)

15. DEFERRED TAX (CONT'D)

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

Deferred tax liabilities of the Company

	Property, plant and equipment differences RM'000	Accruals for staff costs RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2014	74,945	(8,854)	775	66,866
Recognised in profit or loss	(6,817)	3,208	(775)	(4,384)
At 31 December 2014	68,128	(5,646)	-	62,482
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

(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
	2014	2013
	RM'000	RM'000
Other temporary differences	2,091	3,141
Unabsorbed capital allowances	2,199	2,520
Unused tax losses		
- No expiry date	46,314	39,053
- Expires by 31 December 2016	-	241
- Expires by 31 December 2017	-	1,685
- Expires by 31 December 2018	-	34
	50,604	46,674

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 would be available against which the temporary differences could 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.

31 DECEMBER 2014 (CONT'D)

16. INVENTORIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At cost				
Newsprint	97,328	117,136	96,425	116,431
Other raw materials and consumables	35	25	35	25
	97,363	117,161	96,460	116,456

Cost of inventories of the Group and of the Company recognised as cost of sales during the financial year amounted to RM113,358,000 (2013: RM120,916,000) and RM109,411,000 (2013: RM117,717,000).

17. CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	137,763	109,788	29,396	31,644
Deposits placed with licensed banks	483,591	428,329	433,283	387,402
	621,354	538,117	462,679	419,046

- (a) Deposits of the Group and of the Company have a range of maturity of 2 days to 365 days (2013: 5 days to 365 days).
- (b) Information on financial risks of cash and bank balances is 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	
	2014	14 2013 2014	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	137,763	109,788	29,396	31,644
Deposits placed with licensed banks	483,591	428,329	433,283	387,402
Bank overdrafts included in borrowings (Note 21)	-	(149)	-	-
Deposits placed with licensed banks with original maturity				
of more than three (3) months	(28,306)	(11,379)	(26,000)	(3,000)
	593,048	526,589	436,679	416,046

31 DECEMBER 2014 (CONT'D)

17. CASH AND BANK BALANCES (CONT'D)

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	547,664	488,236	462,270	418,084
Singapore Dollar	25,092	24,811	380	928
Australian Dollar	44	765	-	-
United States Dollar	8,311	2,166	19	22
Pound Sterling	5	5	5	5
Euro	6,662	-	-	-
Bahrain Dinar	3,896	17,931	-	-
Chinese Renminbi	8,652	3,373	5	7
Brunei Dollar	528	-	-	-
Omani Riyal	8,719	-	-	-
Qatari Riyal	11,349	-	-	-
Others	432	830	-	-
	621,354	538,117	462,679	419,046

18. SHARE CAPITAL AND TREASURY SHARES

	Company				
		2013			
	Number		Number		
	of shares		of shares		
	'000	RM'000	'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 regards to the residual assets of the Company.

Treasury shares

At an Extraordinary General Meeting held on 18 May 2005, the shareholders of the Company, 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.

31 DECEMBER 2014 (CONT'D)

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'000
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 2014, 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 2014.

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	
	2014	2013	2013 2014	2013
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Share option reserve	817	1,172	-	-
Foreign exchange translation reserve	24,107	21,116	-	-
	24,924	22,288	-	-
Distributable				
Retained earnings	380,665	403,103	368,255	430,033
	405,589	425,391	368,255	430,033

(a) 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.

31 DECEMBER 2014 (CONT'D)

19. RESERVES (CONT'D)

(b) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group 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		
	2014 2013	2013	2014	2013	
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Hire purchase and finance lease liabilities	22	4,172	4,966	-	1
Current					
Bank overdraft	17(c)	-	149	-	-
Bank loans (secured)		63,933	59,507	-	-
Hire purchase and finance lease liabilities	22	1,228	1,093	1	1
		65,161	60,749	1	1
Total Borrowings					
Bank overdraft	17(c)	-	149	-	-
Bank loans (secured)		63,933	59,507	-	-
Hire purchase and finance lease liabilities	22	5,400	6,059	1	2
		69,333	65,715	1	2

31 DECEMBER 2014 (CONT'D)

21. BORROWINGS (CONT'D)

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

Group 2014	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
Bank loans (secured)	2015	63,933	63,933	-	-	_
Hire purchase and finance						
lease liabilities	2019	5,400	1,228	1,305	2,840	27
		69,333	65,161	1,305	2,840	27
Company						
2014						
Hire purchase and finance lease liabilities	2015	1	1	-	-	_
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	1,162	3,392	412
		65,715	60,749	1,162	3,392	412
Company						
2013						
Hire purchase and finance lease liabilities	2015	2	1	1	-	-

- (b) Included in the bank loans of the Group is long term bank loan amounting to Nil (2013: RM1,752,000) 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 fully settled during the financial year.
- (c) The currency exposure profiles of borrowings are as follows:

	Group		Company	
	2014	2013	2013 2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	4,676	6,029	1	2
Singapore Dollar	64,582	59,686	-	-
United States Dollar	75	-	-	-
	69,333	65,715	1	2

31 DECEMBER 2014 (CONT'D)

21. BORROWINGS (CONT'D)

(d) One of the secured bank loans of RM37,485,000 (2013: RM36,785,000) 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 RM26,448,000 (2013: RM22,722,000) of the Group are guaranteed by its subsidiaries.

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

22. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group		Cor	Company	
	2014	2013	2014	2013	
	RM'000	RM'000	RM'000	RM'000	
Minimum lease payments:					
- not later than one (1) year					
Hire purchase	240	160	1	1	
Finance leases	1,290	1,290	-	-	
_	1,530	1,450	1	1	
- later than one (1) year but not later than five (5) years					
Hire purchase	633	382	-	1	
Finance leases	3,956	4,870	-	-	
_	4,589	5,252	-	1	
- later than five (5) years					
Hire purchase	28	45	-	-	
Finance leases	-	376	-	-	
_	28	421	-	-	
Total minimum lease payments	6,147	7,123	1	2	
Less: Future interest charges					
- Hire purchase	(75)	(58)	-	-	
- Finance leases	(672)	(1,006)	-	-	
_	(747)	(1,064)	-	-	
Present value of minimum lease payment	5,400	6,059	1	2	

31 DECEMBER 2014 (CONT'D)

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

	G	roup	Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Present value of minimum lease payments is represented by:				
Hire purchase	826	529	1	2
Finance leases	4,574	5,530	-	_
	5,400	6,059	1	2
Repayable as follows:				
Current liabilities				
- not later than one (1) year				
Hire purchase	209	137	1	1
Finance leases	1,019	956	-	-
Total current liabilities	1,228	1,093	1	1
Non-current liabilities				
- later than one (1) year but not later than five (5) years				
Hire purchase	590	349	-	1
Finance leases	3,555	4,205	-	-
	4,145	4,554	-	1
- later than five (5) years				
Hire purchase	27	43	-	-
Finance leases	-	369	-	-
	27	412	-	-
Total non-current liabilities	4,172	4,966	-	1
	5,400	6,059	1	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 is disclosed in Note 39 to the financial statements.

31 DECEMBER 2014 (CONT'D)

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Non-current				
Contingent consideration for business combination	3,395	8,569	-	-
Current				
Trade payables				
Third parties	23,065	18,136	3,351	1,517
Subsidiaries	-	-	4,303	4,321
Amount due to customers for contract works (Note 14(c))	4,973	5,296	-	-
_	28,038	23,432	7,654	5,838
Other payables				
Amounts owing to subsidiaries	-	-	80,154	80,704
Contingent consideration for business combination	5,780	4,930	-	-
Other payables	30,500	21,610	16,645	12,037
Deposits from agents, subscribers and customers	27,175	22,350	26,231	21,193
Accruals	58,089	77,738	38,727	57,128
Provision	4,860	5,205	3,626	3,598
	126,404	131,833	165,383	174,660
	154,442	155,265	173,037	180,498
	157,837	163,834	173,037	180,498

- (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 (2013: 1 to 4 months).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for RM78,262,000 (2013: RM76,839,000) which are subject to interest at a rate of 3.45% per annum (2013: 5.55% per annum).
- (c) Included in other payables of the Group are amounts owing to Directors of certain subsidiaries amounting to RM504,000 (2013: RM758,000).
- (d) Information on financial risks of trade and other payables is 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 RM38,853,000 (2013: RM51,507,000) and RM30,808,000 (2013: RM43,295,000) respectively.

31 DECEMBER 2014 (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 contingent considerations for the business combination is as follows:

	2014	2013
	RM'000	RM'000
At 1 January	13,499	14,399
Accretion	606	970
Payment	(4,930)	(1,870)
At 31 December	9,175	13,499
Repayable as follows:		
Current liabilities		
- not later than one (1) year	5,780	4,930
Non-current liabilities		
- later than one (1) year	3,395	8,569
	9,175	13,499

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	103,613	114,574	166,186	96,190
Singapore Dollar	23,898	28,030	-	944
Australian Dollar	88	27	1	77,662
United States Dollar	9,027	6,214	2,956	80
Pound Sterling	4,156	7,120	3,842	5,617
Euro	1,994	53	-	5
Bahrain Dinar	13,037	3,695	-	-
Chinese Renminbi	1,295	2,694	-	-
Others	729	1,427	52	-
	157,837	163,834	173,037	180,498

31 DECEMBER 2014 (CONT'D)

24. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Publication, printing and distribution of newspapers and				
magazines and digital revenue	706,474	752,476	695,782	748,809
Broadcasting	51,368	55,420	-	-
Event management, exhibition services and thematic	235,533	198,884	-	-
Subscription and distribution	10,877	9,984	-	-
Others	9,485	8,566	-	-
	1,013,737	1,025,330	695,782	748,809

25. COST OF SALES AND SERVICES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Publication, printing and distribution of newspapers and				
magazines and digital	247,305	255,461	246,625	254,620
Broadcasting	9,649	10,346	-	-
Event management, exhibition services and thematic	160,965	128,488	-	-
Subscription and distribution	9,451	8,976	-	-
Others	3,420	2,229	-	-
	430,790	405,500	246,625	254,620

26. FINANCE COSTS

	Gi	roup	Cor	npany
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expenses:				
- Medium Term Notes	9,300	9,300	9,300	9,300
- Finance leases	303	384	-	-
- Hire purchase	16	75	-	-
- Bank loans	-	325	-	-
- Advances from subsidiary	-	-	2,621	2,720
- Others	524	107	-	-
	10,143	10,191	11,921	12,020

31 DECEMBER 2014 (CONT'D)

27. PROFIT BEFORE TAX

Profit before tax is arrived at:

		Gr	oup	Con	npany
	2014		2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
After charging:					
Auditors' remuneration:					
- Statutory					
- Current year		922	931	203	203
- (Over)/Under provision in prior year		(7)	4	-	2
- Non-statutory					
- Current year		14	65	14	13
- Under provision in prior year		-	3	-	-
Amortisation of intangible assets	9	12,197	10,359	2,554	1,745
Accretion of contingent considerations		606	970	-	-
Bad debts written off		14	10	9,695	-
Depreciation of property, plant and					
equipment	7	43,549	43,181	36,127	35,896
Depreciation of investment properties	8	246	246	246	246
Directors' remuneration payable to:					
- Directors of the Company					
- fees		606	591	606	591
- other emoluments	36	3,255	7,822	3,255	7,822
- Directors of subsidiaries					
- fees		682	533	-	-
- other emoluments	36	9,793	9,956	-	-
Foreign exchange loss:		ŕ			
- realised		256	249	87	23
- unrealised		512	_	_	_
Impairment losses on:					
- trade receivables	14(h)	1,192	1,488	484	110
- intangible assets	9	19,062	-,	2,297	-
- investment in a joint arrangement	Ç	-	1,611	_,_··	2,141
- investments in subsidiaries	10	_	-	44,124	6,941
- property, plant and equipment	7	_	54	,	-
- other receivables	,	3,450	-	3,450	-
- investments in associates	11	3,517	_	-	

31 DECEMBER 2014 (CONT'D)

27. PROFIT BEFORE TAX (CONT'D)

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

	Group		Company	npany	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
After charging (cont'd):					
Loss on disposal of:					
- property, plant and equipment		273	509	205	-
- investment in a subsidiary	32	2,537	-	1,366	-
Operating lease rental		123	134	123	134
Property, plant and equipment written off	7	191	1,354	32	55
Rental of premises		7,541	6,756	499	496
Rental of warehouse		39	50	-	-
Voluntary Separation Scheme expenses	36	11,500	-	11,500	-
And crediting:					
Accretion of non-current other receivables		4,200	4,200	4,200	4,200
Bad debts recovered	14(h)	70	-	-	-
Reversal of impairment losses	14(h)	598	1,296	46	13
Dividend income		-	-	-	8,721
Fair value gain on other investments		1,051	1,057	1,051	1,057
Foreign exchange gain:					
- realised		204	348	-	-
- unrealised		-	-	1,976	5,818
Gain on disposal of:					
- property, plant and equipment		56	528	-	96
- a subsidiary		-	-	-	7,022
- intangible assets		-	2	-	-
- available-for-sale financial assets		-	143	-	-
- other investment		81	-	81	-
Interest income		6,761	7,647	6,609	7,006
Investment income		11,177	7,574	11,177	7,574
Rental income:					
- investment properties		581	613	581	613
- others		343	240	100	51

The estimated monetary value of benefits-in-kind not included in the above received by Directors of the Company was RM610,000 (2013: RM1,298,000) for the Group and the Company.

31 DECEMBER 2014 (CONT'D)

28. TAX EXPENSE

Gr	Group		Company	
2014	2013	2014	2013	
RM'000	RM'000	RM'000	RM'000	
47,663	58,423	42,800	54,772	
527	1,257	-	-	
48,190	59,680	42,800	54,772	
(3,973)	(3,154)	(3,483)	(2,602)	
(3,973) (3,154) (3	-	-		
(3,973)	2013 2014 RM'000 RM'000 58,423 42,800 1,257 - 59,680 42,800 (3,154) (3,483) 10 - (3,144) (3,483) 56,536 39,317 (4,148) (1,834) 782 (2,550)	(3,483)	(2,602)	
44,217	56,536	39,317	52,170	
285	(4,148)	(1,834)	(2,105)	
(3,114)	782	(2,550)	717	
(2,829)	(3,366)	(4,384)	(1,388)	
41,388	53,170	34,933	50,782	
	2014 RM'000 47,663 527 48,190 (3,973) - (3,973) 44,217	2014 2013 RM'000 RM'000 47,663 58,423 527 1,257 48,190 59,680 (3,973) (3,154) - 10 (3,973) (3,144) 44,217 56,536 285 (4,148) (3,114) 782 (2,829) (3,366)	2014 RM'000 2013 RM'000 2014 RM'000 47,663 58,423 1,257 42,800 527 1,257 - 48,190 59,680 42,800 (3,973) (3,154) 10 (3,483) - 10 - (3,973) (3,144) (3,483) 44,217 56,536 39,317 285 (4,148) (1,834) (3,114) 782 (2,550) (2,829) (3,366) (4,384)	

The Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 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.

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before tax	153,421	192,586	105,987	209,504
Taxation at Malaysian statutory rate of 25% (2013: 25%)	38,356	48,146	26,497	52,376
Expenses not deductible for tax purposes	17,606	12,590	19,145	5,343
Income not subject to tax	(6,907)	(5,422)	(4,676)	(5,052)
Deferred tax assets not recognised	1,011	1,170	-	-
Utilisation of previously unrecognised deferred tax assets	(1,022)	(319)	-	-
Difference in tax rates in foreign jurisdiction	(569)	(633)	-	-
	48,475	55,532	40,966	52,667
(Over)/Under provision in prior years				
- corporate tax	(3,973)	(3,144)	(3,483)	(2,602)
- deferred tax	(3,114)	782	(2,550)	717
Tax expense	41,388	53,170	34,933	50,782

31 DECEMBER 2014 (CONT'D)

29. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

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.

	2014	2013
Profit attributable to equity holders of the parent (RM'000)	111,416	142,876
Weighted average number of ordinary shares in issue ('000)	738,564	738,564
Weighted average number of treasury shares held ('000)	(607)	(414)
Adjusted weighted average number of ordinary shares applicable to basic earnings per share ('000)	737,957	738,150
Basic earnings per ordinary share (sen)	15.10	19.36

Diluted earnings per ordinary share

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

30. DIVIDENDS

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

	Gross		Net
	dividend	Amount of	dividend
	per ordinary	dividend,	per ordinary
	share	net of tax	share
	sen	RM'000	sen
2014			
2014 First interim dividend paid	6.0	44,277	6.0
2014 Special interim dividend paid	3.0	22,139	3.0
2013 Second interim dividend paid	6.0	44,277	6.0
2013 Special interim dividend paid	3.0	22,139	3.0
	18.0	132,832	18.0
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

Subsequent to the financial year, on 27 February 2015, 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 2014. The dividends are payable on 17 April 2015 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2015.

31 DECEMBER 2014 (CONT'D)

31. ACQUISITION OF SUBSIDIARIES

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

In 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.

2012

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

2012

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014 (CONT'D)

31. ACQUISITION OF SUBSIDIARIES (CONT'D)

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

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.

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

In 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 (Note 9(a))	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

31 DECEMBER 2014 (CONT'D)

32. DISPOSAL OF A SUBSIDIARY

On 22 December 2014, the Company completed the disposal of its entire equity interest (equivalent to 83.61%) in a subsidiary, Red Tomato Media Sdn. Bhd., a company incorporated in Malaysia which is engaged in the trading of publication and mass media and other related activities for a cash consideration of RM125,000.

The loss on disposal of the subsidiary during the financial year is as follows:

	20	14
	Group	Company
	RM'000	RM'000
Cost of investment	<u>-</u>	1,491
Receivables	3	-
Deferred tax asset (Note 15(a))	230	-
Goodwill (Note 9(a))	2,467	-
Net assets/Carrying amount	2,700	1,491
Less: Non-controlling interest	(38)	-
	2,662	1,491
Net proceeds from disposal	(125)	(125)
Loss on disposal	(2,537)	(1,366)

33. RELATED PARTIES DISCLOSURES

(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.

(b) Significant related party transactions

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.

31 DECEMBER 2014 (CONT'D)

33. RELATED PARTIES DISCLOSURES (CONT'D)

(b) Significant related party transactions (cont'd)

The Group and the Company had the following transactions with related parties during the financial year:

	Gi	roup	Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Sales of advertisement space	-	-	1,863	1,577
Purchase of airtime	-	-	-	113
Advertisement commission paid/payable	-	-	915	882
Purchase of property, plant and equipment	-	-	29	7
Event fees paid/payable	-	-	91	422
Purchase of intangible assets	-	-	1	42
Disposal of property, plant and equipment	-	-	-	3
Training fees paid/payable	-	-	437	1,477
Interest received/receivable	-	-	1,507	1,756
Management fees	-	-	1,574	532
Annual maintenance fee	-	-	-	164
Online listing	-	-	300	21
Rental income	-	-	56	18
Jobbing income	-	-	1,507	3,259
Interest payable	-	-	2,621	2,720
Dividend income	-	-	-	8,721
Purchase of advertisement space	-	-	24	48
Purchase of online job posting	-	-	1,583	1,726
Purchase of content	-	-	415	-
Purchase of ePaper subscription	-	-	4	-
Occurrence in action contain Director in Signature				
Company in which certain Director has financial interests				
Sales of advertisement space	14,950	11,158	14,758	10,936
Purchase of services	33	261	33	261

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.

31 DECEMBER 2014 (CONT'D)

33. RELATED PARTIES DISCLOSURES (CONT'D)

(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 and the Company.

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

	Group an	d Company
	2014	2013
	RM'000	RM'000
Short term employee benefits	4,112	8,832
Contributions to defined contribution plans	359	880
	4,471	9,712

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.

Certain subsidiaries provided tender bonds and guarantees through banks to its landlord for office rental deposit amounting to RM3,500,000 (2013: RM1,655,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM40,472,000 (2013: RM19,591,000). The tender bonds and guarantees are secured by bank guarantees amounting to RM789,000 (2013: RM1,362,000).

35. COMMITMENTS

(a) Operating lease commitments

The Group as a lessee

Computer equipment and office buildings under various operating leases in 2014 and 2013 are as follows:

		Group
	2014	2013
	RM'000	RM'000
Not later than one (1) year	3,964	3,281
Later than one (1) year and not later than five (5) years	5,470	7,487
	9,434	10,768

31 DECEMBER 2014 (CONT'D)

35. COMMITMENTS (CONT'D)

(b) Capital commitments

	Group		Con	npany
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Authorised capital expenditure not provided for in the financial statements				
- contracted	12,103	36,473	2,703	22,143
- not contracted	6,991	4,624	6,991	4,624
	19,094	41,097	9,694	26,767
Analysed as follows:				
- Renovation	-	18	-	18
- Plant and equipment	9,694	11,749	9,694	11,749
- Investment	9,400	29,330	-	15,000
	19,094	41,097	9,694	26,767

36. EMPLOYEE BENEFITS

	Group		Cor	mpany
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	225,554	224,915	154,954	153,203
Defined contribution retirement plans	25,973	26,380	20,345	20,488
Others	9,145	16,646	3,968	13,213
	260,672	267,941	179,267	186,904

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM13,048,000 (2013: RM17,778,000) and RM3,255,000 (2013: RM7,822,000) respectively.

During the financial year, the Company had under the Voluntary Separation Scheme ("VSS") paid RM11,500,000 to the applicants who have completed the VSS exit formalities.

31 DECEMBER 2014 (CONT'D)

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.

31 DECEMBER 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

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

2014	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 customers	706,474	51,368	235,533	10,877	9,485	-	1,013,737
Inter-segment sales	6,930	131	94	-	436	(7,591)	-
Total revenue	713,404	51,499	235,627	10,877	9,921	(7,591)	1,013,737
Results							
Segment results	155,928	(6,739)	19,064	(19,124)	(2,920)	-	146,209
Finance costs	(9,320)	(303)	(520)	(1)	1	-	(10,143)
Interest income	5,038	1,074	506	-	143	-	6,761
Investment income	11,177	-	-	-	-	-	11,177
Share of losses in associates	(583)	-		-	-	-	(583)
Profit before tax	162,240	(5,968)	19,050	(19,125)	(2,776)	-	153,421
Tax expense							(41,388)
Profit for the financial year							112,033
Assets							
Segment assets	1,315,731	89,642	230,438	10,944	23,414	-	1,670,169
Investment in a joint arrangement	143	-	-	-	-	-	143
Total assets							1,670,312
Liabilities							
Segment liabilities	358,587	8,901	81,822	6,192	38,483	-	493,985

31 DECEMBER 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

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

			Event, exhibition,				
	Print and		interior and	Television			
	digital	Broadcasting	thematic	channel	Others	Elimination	Consolidated
2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other segment information							
Capital expenditure	10,313	1,833	3,594	47	64	-	15,851
Depreciation	36,580	3,522	3,401	100	192	-	43,795
Amortisation	3,551	4,054	2	4,575	15	-	12,197
Impairment of intangible assets	2,297	4,350	-	12,415	-	-	19,062
Impairment of other receivables	3,450	-	-	-	-	-	3,450
Impairment of investments in							
associates	-	-	-	-	3,517	-	3,517
Loss on disposal of a subsidiary	2,537	-	-	-	-	-	2,537
Non-cash expenses other than							
depreciation and amortisation	738	629	1,255	75	36	-	2,733

31 DECEMBER 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

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

			Event,				
			exhibition,				
	Print and		interior and	Television			
	digital	Broadcasting	thematic	channel	Others		Consolidated
2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Sales to external customers	752,476	55,420	198,884	9,984	8,566	-	1,025,330
Inter-segment sales	7,071	562	425	-	1,477	(9,535)	-
Total revenue	759,547	55,982	199,309	9,984	10,043	(9,535)	1,025,330
Results							
Segment results	188,035	(934)	11,829	(6,348)	(4,130)	-	188,452
Finance costs	(9,324)	(384)	(475)	(6)	(2)	-	(10,191)
Interest income	5,297	1,162	184	-	1,004	-	7,647
Investment income	7,574	-	-	-	-	-	7,574
Share of losses in a joint							
arrangement	(896)		-	-		-	(896)
Profit before tax	190,686	(156)	11,538	(6,354)	(3,128)	-	192,586
Tax expense							(53,170)
Profit for the financial year							139,416
Assets							
Segment assets	1,337,426	101,888	204,858	25,531	25,303	-	1,695,006
Investment in a joint arrangement	143	-	-	-	-	-	143
Investments in associates	-	-	-	-	2,950	-	2,950
Total assets							1,698,099
Liabilities							
Segment liabilities	371,979	13,030	73,805	5,204	39,882	-	503,900

31 DECEMBER 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

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

			Event, exhibition,				
	Print and		interior and	Television			
	digital	Broadcasting	thematic RM'000	channel RM'000	Others	Elimination	Consolidated
2013	RM'000	RM'000			RM'000	RM'000	RM'000
Other segment information							
Capital expenditure	16,246	1,731	2,833	232	439	-	21,481
Depreciation	36,469	3,286	3,388	89	195	-	43,427
Amortisation	2,153	4,027	2	4,168	9	-	10,359
Impairment of property, plant and equipment	-	-	54	-	-	-	54
Non-cash expenses other than depreciation and amortisation	3,104	646	2,596	39	11	-	6,396

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 assets of the Group.

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

	Re	Revenue		ent assets
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Malaysia	814,574	851,612	1,487,533	1,533,004
Singapore	87,512	74,322	76,355	75,230
Middle East	25,062	26,206	65,183	61,893
Others	86,589	73,190	41,241	27,972
	1,013,737	1,025,330	1,670,312	1,698,099

31 DECEMBER 2014 (CONT'D)

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 overall strategy of the Group remains unchanged from that in the previous financial year.

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

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

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	269,333	265,715	200,001	200,002
Less: Cash and bank balances (Note 17)	(137,763)	(109,788)	(29,396)	(31,644)
Net debt	131,570	155,927	170,605	168,358
Total capital	1,142,520	1,162,322	1,105,186	1,166,964
Gearing ratio	11.5%	13.4%	15.4%	14.4%

(b) Financial instruments

Categories of financial instruments

Group 2014	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	_	42,104	5,000	47,104
Trade and other receivables	14	255,243	-	-	255,243
		255,243	42,104	5,000	302,347
Cash and bank balances	17	621,354	-	-	621,354
		876,597	42,104	5,000	923,701

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

			Fair value	
		Other	through	
		financial	profit or	
Group		liabilities	loss	Total
2014	Note	RM'000	RM'000	RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	69,333	-	69,333
Trade and other payables	23	157,837	-	157,837
		427,170	-	427,170

	Fair value				
		Loans and	through	Held to	
Group		receivables	profit or loss	maturity	Total
2013	Note	RM'000	RM'000	RM'000	RM'000
Financial assets					
Other investments	13	-	45,687	10,000	55,687
Trade and other receivables	14	320,115	-	-	320,115
		320,115	45,687	10,000	375,802
Cash and bank balances	17	538,117	-	-	538,117
		858,232	45,687	10,000	913,919

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

Group		Other financial liabilities	Fair value through profit or loss	Total
2013	Note	RM'000	RM'000	RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	65,715	-	65,715
Trade and other payables	23	163,834	-	163,834
		429,549	-	429,549

Company		Loans and receivables	Fair value through profit or loss	Held to maturity	Total
2014	Note	RM'000	RM'000	RM'000	RM'000
Financial assets					
Other investments	13	-	42,104	5,000	47,104
Trade and other receivables	14	196,037	-	-	196,037
		196,037	42,104	5,000	243,141
Cash and bank balances	17	462,679	-	-	462,679
		658,716	42,104	5,000	705,820

			Fair value	
		Other	through	
		financial	profit or	
Company		liabilities	loss	Total
2014	Note	RM'000	RM'000	RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	1	-	1
Trade and other payables	23	173,037	-	173,037
		373,038	-	373,038

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

Company 2013	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	-	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 bank balances	17	419,046	-	-	419,046
		673,903	45,687	10,000	729,590

			Fair value	
		Other	through	
		financial	profit or	
Company		liabilities	loss	Total
2013	Note	RM'000	RM'000	RM'000
Financial liabilities				
Medium term notes	20	200,000	-	200,000
Borrowings	21	2	-	2
Trade and other payables	23	180,498	-	180,498
		380,500	-	380,500

31 DECEMBER 2014 (CONT'D)

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:

	Group		Company	
	Carrying	Fair	Carrying	Fair
	amount	t value	amount	value
	RM'000	RM'000	RM'000	RM'000
2014				
Recognised				
Financial assets				
5.50% p.a. Malaysian quoted investment funds due on				
27 February 2015	5,000	4,951	5,000	4,951
Unrecognised				
Contingent liabilities				
- Litigation	-	1,863	-	1,863
- Bank guarantee	-	-	-	#
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				
27 February 2015	5,000	4,899	5,000	4,899
Unrecognised				
Contingent liabilities				
- Litigation	-	2,106	-	2,106
- Bank guarantee	-	-	-	#

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

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Methods and assumptions used to estimate fair values

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

Level 1 fair value measurements are those derived from guoted 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).

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 (8.3%). The higher the weighted average cost of capital, the lower the fair value of the unquoted equity investment would be.

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value hierarchy (cont'd)

As at 31 December 2014, 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			
	2014	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets at fair value through profit or loss				
- Quoted investment funds	36,643	36,643	-	-
- Quoted equity investment	3,930	3,930	-	-
- Unquoted equity investment	1,531	-	-	1,531
	42,104	40,573	-	1,531
Company				
Financial assets at fair value through profit or loss				
- Quoted investment funds	36,643	36,643	=	-
- Quoted equity investment	3,930	3,930	-	-
- Unquoted equity investment	1,531	-	-	1,531
	42,104	40,573	-	1,531

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	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	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

There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 December 2014 and 31 December 2013.

31 DECEMBER 2014 (CONT'D)

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair value hierarchy (cont'd)

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	
	2014	2013	
	RM'000	RM'000	
Financial assets at fair value through profit or loss			
Balance at 1 January	1,531	1,531	
Purchases	-	-	
Total gains or losses recognised in profit or loss	-	-	
Balance at 31 December	1,531	1,531	

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 of	on profit or loss
	Favourable	(Unfavourable)
	RM'000	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.

31 DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Foreign currency risk (cont'd)

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM73,690,000 (2013: RM49,881,000) for the Group and RM409,000 (2013: RM962,000) 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.

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.

	2014		20	13
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
	Profit	Profit	Profit	Profit
	net of tax	net of tax	net of tax	net of tax
USD/RM - strengthen by 3% (2013: 3%)	-385	-727	-637	-940
- weaken by 3% (2013: 3%)	+385	+727	+637	+940
EUR/RM - strengthen by 3% (2013: 3%)	+121	-	+5	-
- weaken by 3% (2013: 3%)	-121	-	-5	-
BHD/RM - strengthen by 3% (2013: 3%)	+234	-	+748	-
- weaken by 3% (2013: 3%)	-234	-	-748	-
OMR/RM - strengthen by 3% (2013: 3%)	+250	-	+147	-
- weaken by 3% (2013: 3%)	-250	-	-147	-
SGD/RM - strengthen by 3% (2013: 3%)	+469	+1,129	+489	+1,079
- weaken by 3% (2013: 3%)	-469	-1,129	-489	-1,079
AUD/RM - strengthen by 3% (2013: 3%)	-1,762	-1,762	-1,730	-1,730
- weaken by 3% (2013: 3%)	+1,762	+1,762	+1,730	+1,730

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.

31 DECEMBER 2014 (CONT'D)

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.

		On demand			
		or within 1	1 - 5	Over 5	
Group		year	years	years	Total
2014	Note	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Trade and other payables	23	154,442	3,620	_	158,062
Loans and borrowings		65,161	232,371	_	297,532
Total undiscounted financial liabilities		219,603	235,991	-	455,594
		On demand			
		or within 1	1 - 5	Over 5	
Company		year	vears	years	Total
2014	Note	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Trade and other payables	23	173,037	-	-	173,037
Loans and borrowings		1	228,200	-	228,201
Total undiscounted financial liabilities		173,038	228,200	-	401,238
		On demand			
		or within 1	1 - 5	Over 5	
Group		year	years	years	Total
2013	Note	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Trade and other payables	23	155,265	9,400	-	164,665
Loans and borrowings		60,600	118,097	124,369	303,066
Total undiscounted financial liabilities		215,865	127,497	124,369	467,731

31 DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

		On demand or within 1	1 - 5	Over 5	
Company		year	years	years	Total
2013	Note	RM'000	RM'000	RM'000	RM'000
Financial liabilities					
Trade and other payables	23	180,498	-	-	180,498
Loans and borrowings		1	113,501	124,000	237,502
Total undiscounted financial liabilities		180,499	113,501	124,000	418,000

(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 2014, 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 RM1,036,000 (2013: RM1,020,000) 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 RM1,970,000 (2013: RM2,308,000) 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 2014 than in 2013 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.

31 DECEMBER 2014 (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:

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
17	3.81	483,591	-	-	-	-	-	483,591
22	6.11	(1,228)	(1,305)	(1,328)	(1,069)	(443)	(27)	(5,400)
20	4.65		(100,000)	-	(100,000)			(200,000)
21	2.11	(63,933)	_	-	_	-	-	(63,933)
17	3.26	428,329	-	-	-	-	-	428,329
00	0.00	(4.000)	(4.400)	(4.040)	(4.040)	(055)	(44.0)	(0.050)
		(1,093)	, , ,	, ,	, ,	, ,		(6,059)
20	4.65			(100,000)		(100,000)		(200,000)
21	2.04	(59,507)	-	-	-	-	-	(59,507)
	17 22 20 21 17 22 20	average effective interest rate Note % 17 3.81 22 6.11 20 4.65 21 2.11 17 3.26 22 6.36 20 4.65	average effective interest Within 1 rate year Note % RM'000 17 3.81 483,591 22 6.11 (1,228) 20 4.65 - 21 2.11 (63,933) 17 3.26 428,329 22 6.36 (1,093) 20 4.65 -	average effective interest Within 1 1 - 2 rate year years Note % RM'000 RM'000 17 3.81 483,591 - 22 6.11 (1,228) (1,305) 20 4.65 - (100,000) 21 2.11 (63,933) - 17 3.26 428,329 - 22 6.36 (1,093) (1,162) 20 4.65	average effective interest Within 1 1 - 2 2 - 3 rate year years years Note % RM'000 RM'000 RM'000 17 3.81 483,591 22 6.11 (1,228) (1,305) (1,328) 20 4.65 - (100,000) - 17 3.26 428,329 22 6.36 (1,093) (1,162) (1,219) 20 4.65 - (100,000)	average effective interest Within 1 1 - 2 2 - 3 3 - 4 years years years years years Note % RM'000 RM'000 RM'000 RM'000 RM'000 17 3.81 483,591 (100,000) 20 4.65 - (100,000) - (100,000) 21 2.11 (63,933)	average effective interest Within 1	Note Hard Hard

31 DECEMBER 2014 (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):

		Weighted average effective							
		interest	Within 1	1 - 2	2 - 3	3 - 4		More than	
		rate	year	years	years	years	years	5 years	Total
Company	Note	%	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2014									
Fixed rates									
Amount owing by subsidiaries	14(e)	3.42	14,971	-	-	-	-	_	14,971
Deposits placed with									
licensed banks	17	3.79	433,283	=	-	-	-	-	433,283
Medium Term Notes	20	4.65	-	(100,000)	-	(100,000)	-	-	(200,000)
Hire purchase	22	-	(1)	-	-	-	-	-	(1)
Floating rate Amount owing to a subsidiary	23(b)	3.45	(78,262)	-	-	-	-	-	(78,262)
As at 31 December 2013									
Fixed rates									
Amount owing by subsidiaries	14(e)	3.27	17,070	-	-	-	-	-	17,070
Deposits placed with licensed banks	17	3.28	387,402	-	-	-	-	-	387,402
Medium Term Notes	20	4.65	-	-	(100,000)	-	(100,000)	-	(200,000)
Hire purchase	22	_	(1)	(1)	-	-	-		(2)
Floating rate									
Amount owing to a subsidiary	23(b)	5.55	(76,839)	-	-	-	-	_	(76,839)

31 DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Credit risk

Cash deposits and trade receivables could 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:

		o		
	20	14		2013
		% of		% of
	RM'000	total	RM'000	total
By country				
Malaysia	82,878	63%	102,291	66%
Singapore	32,599	25%	29,857	19%
Middle East	3,217	3%	10,781	7%
Hong Kong	1,708	1%	2,662	2%
Asia Pacific (including Australia)	3,009	2%	1,921	1%
Europe	5,375	4%	5,242	4%
China	2,327	2%	2,103	1%
Others	-	*	-	*
	131,113	100%	154,857	100%
By industry sectors				
Print and digital	69,188	53%	85,427	55%
Event, exhibition, interior and thematic	51,723	39%	53,973	35%
Broadcasting	6,553	5%	11,265	7%
Television channel	1,708	1%	2,662	2%
Others	1,941	2%	1,530	1%
	131,113	100%	154,857	100%

^{*} Amount is less than 1%

31 DECEMBER 2014 (CONT'D)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

At the end of the reporting period, the Company has no significant concentration of credit risk except for the amounts owing by its subsidiaries constituting 17% (2013: 14%) 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 licensed banks and other financial institutions and investment securities 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 would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. They are held for strategic rather than trading purposes. The Group does not actively trade these investments. These instruments are classified as financial assets designated at fair value through profit or loss, available-for-sale and held to maturity financial assets.

To manage its price risk arising from investments in shares, funds and bonds, the Group diversifies its portfolio in accordance with the limits set by the Group.

Sensitivity analysis for price risk

As the Group and the Company invest in a portfolio of investments with a diversified risk base, the Group and the Company are not significantly exposed to price fluctuations of a single derivative within its portfolio of investments. As a result, the Directors of the Group and the Company are of the view that the effects of a sensitivity analysis on the market price risk for its quoted investments will not have a significant impact on the earnings of the Group and the Company.

40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 22 December 2014, the Company disposed off its entire equity interest of 2,484,834 ordinary shares of RM1.00 each representing 83.61% equity interest in Red Tomato Media Sdn. Bhd. ("Red Tomato") for a total cash consideration of RM125,000.

31 DECEMBER 2014 (CONT'D)

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:

	Gr	Group		npany
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries:				
- Realised	403,597	446,653	426,635	489,465
- Unrealised	(59,145)	(62,793)	(58,380)	(59,432)
	344,452	383,860	368,255	430,033
Total share of accumulated loss from associates				
- Realised	(583)	-	-	-
Total share of accumulated losses from joint arrangement:				
- Realised	(18,188)	(18,188)	-	-
	325,681	365,672	368,255	430,033
Consolidation adjustments	54,984	37,431	-	-
Total retained earnings as at 31 December	380,665	403,103	368,255	430,033

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	902	1983#
No. 26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,440 sq. ft.	2-storey semi-detached house	54	822	1995
Kawasan Perindustrian Bukit Minyak, Mukim 13 Daerah Seberang Perai 14100 Bukit Mertajam Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Newsprint warehouse	17	8,638	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	14	40,240	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	14	33,178	2001
202, Jalan Sultan Azlan Shah 11900 Bayan Lepas Pulau Pinang	Freehold	12,086 sq. metres	Industrial land	N/A	11,954	1997
· cada · cag		19,472 sq. metres	Regional office and printing plant	13	19,768	2002
Lot 9, First Floor Block B, Lintas Square 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft	Office block	16	190	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	1,999
GM612, Lot No. 6036 (26197) Mukim Bentong, Pahang Darul Makmur	Freehold	0.9084 acres	Vacant agriculture 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	1,383	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	11	1,927	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	39	2,438	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#
Neighbourhood Commercial Centre GF to 3F, U6, Phase 19 62250 Putrajaya	Freehold	1,690.72 sq.metres	4-storey shop office	10	3,631	2005
No. 8 & 10, Lorong Chung Thye Phin 30250 Ipoh	Leasehold Expiry: 2893	1622.53 sq.metres	Commercial land	N/A	1,381	2005
Perak Darul Ridzuan		1,978 sq.metres	Office Building	4	4,362	2011
Klang Town Commercial Centre No. 35 Lebuh Tapah, Bandar 41400 Klang Selangor Darul Ehsan	Freehold	445.93	3-storey shop office	8	731	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	6	2,507	2009

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2015

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	86	1.151	1,631	0.000
100 - 1,000	1,540	20.613	1,348,280	0.183
1,001 - 10,000	4,583	61.344	19,682,502	2.667
10,001 - 100,000	1,058	14.162	32,694,384	4.431
100,001 - 36,897,819	201	2.690	258,087,345	34.973
36,897,820 and above	3	0.040	426,142,260	57.746
Sub Total	7,471	100.000	737,956,402	100.000
Treasury Shares			607,200	
Total			738,563,602	100.000

THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 31 MARCH 2015

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	Numbers 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	39,806,300	5.394
4	AmanahRaya Trustees Berhad Amanah Saham Malaysia	25,000,000	3.388
5	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	19,863,200	2.692
6	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AlA Bhd	18,669,700	2.530
7	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	16,782,700	2.274
8	AMSEC Nominees (Tempatan) Sdn Bhd AMTrustee Berhad For CIMB Islamic Dali Equity Growth Fund (UT-CIMB-Dali)	15,307,600	2.074
9	AmanahRaya Trustees Berhad Amanah Saham Didik	13,973,700	1.894
10	HSBC Nominees (Asing) Sdn Bhd Exempt An For BNP Paribas Securities Services (Jersey GBP)	11,060,200	1.499
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	8,300,000	1.125

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2015 (CONT'D)

No.	Name	Numbers of shares held	% of shareholdings*
12	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	8,300,000	1.125
13	AmanahRaya Trustees Berhad Public Islamic Select Treasures Fund	7,411,200	1.004
14	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	5,425,800	0.735
15	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad For CIMB Islamic Small Cap Fund	3,242,200	0.439
16	DB (Malaysia) Nominee (Asing) Sdn Bhd SSBT Fund RCER For Rock Creek Emerging Markets Fund SPC, Ltd	2,888,000	0.391
17	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,867,500	0.389
18	AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	2,845,500	0.386
19	CIMB Commerce Trustee Berhad Public Focus Select Fund	2,801,500	0.380
20	Lembaga Tabung Angkatan Tentera	2,738,500	0.371
21	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,607,000	0.353
22	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (RHB INV)	2,600,000	0.352
23	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	2,572,500	0.349
24	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)	2,501,600	0.339
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	AMSEC Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd For Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	2,200,000	0.298
28	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity FD)	2,070,500	0.281
29	Hong Leong Assurance Berhad As Beneficial Owner (Life PAR)	2,002,000	0.271
30	HSBC Nominees (Asing) Sdn Bhd Exempt An For BNP Paribas Securities Services (Singapore - SGD)	1,960,000	0.266
	Total	616,847,660	83.590

^{*} Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 31 March 2015.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2015 (CONT'D)

DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS

(As Per Register of Directors' Shareholdings as at 31 March 2015)

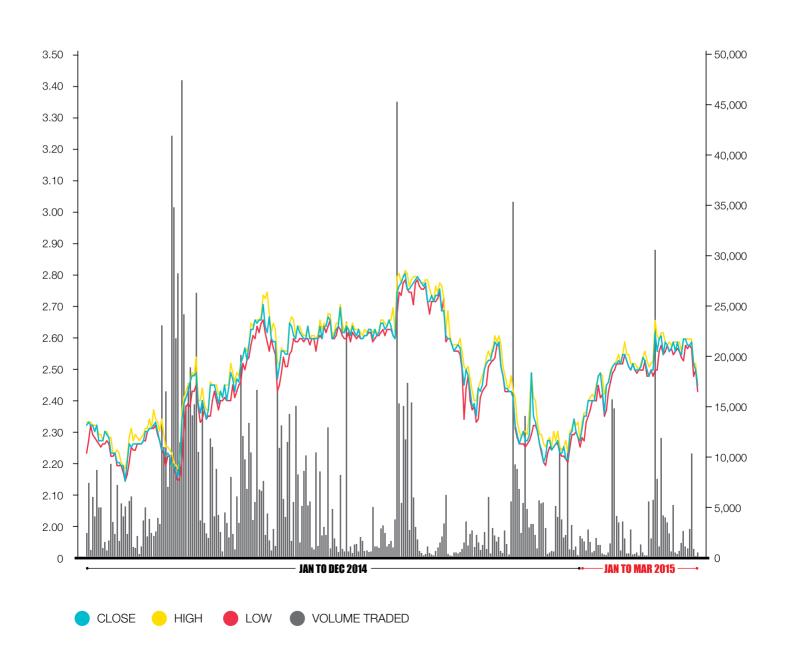
Name	No. of Shares Held Direct Interest	% of Issued Capital*	No. of Shares Held Deemed Interest	% of Issued Capital*
Dato' Fu Ah Kiow	-	-	-	-
Dato' Sri Kuan Peng Soon	-	-	-	-
Datuk Seri Wong Chun Wai	20,000	0.003	-	-
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	0.014	900,000#	0.122
Mr Lee Siang Chin	-	-	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
Datin Linda Ngiam Pick Ngoh	330,800	0.045	287,000 [@]	0.039
Dato' Yip Kum Fook	-	-	-	-
Mr Lew Weng Ho	-	-	-	-
(As Per Register of Substantial Shareholders as at 31 March AMSEC Nominees (Tempatan) Sdn Bhd	13,315,760	42.457	200,000^	0.027
Malaysian Chinese Association AmanahRaya Trustees Bhd Skim Amanah Saham Bumiputra	73,020,200	9.895	-	-
Oversea-Chinese Banking Corporation Limited (OCBC)	-	-	37,406,200	5.069
Great Eastern Holdings Limited	-	-	37,406,200	5.069
Lembaga Tabung Haji	39,806,300	5.394	-	-

Notes:

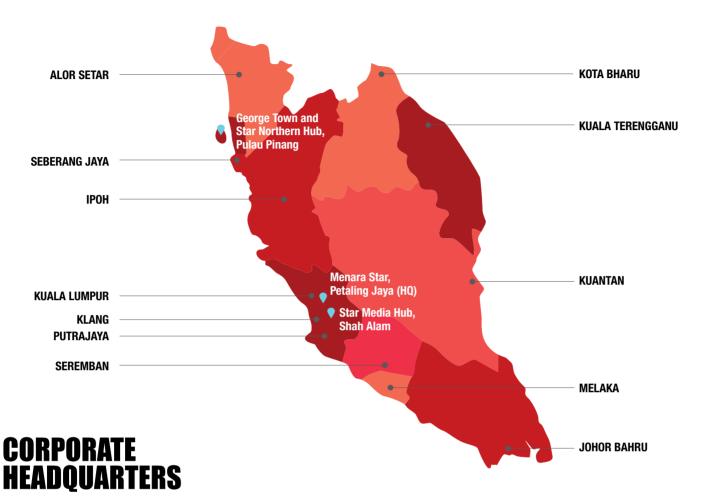
- * Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 31 March 2015.
- [#] Deemed interested in shares held by his children, by virtue of Section 134 of the Companies Act, 1965.
- Deemed interested in shared held by her family members by virtue of Section 122A of the Companies Act, 1965.
- ^ Held via Huaren Management Sdn Bhd.

SHARE PERFORMANCE

SHARE PRICES AND VOLUME TRADED FOR THE PERIOD 1 JANUARY 2014 TO 31 MARCH 2015



CORPORATE DIRECTORY



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.mv

: http://epaper.thestar.com.my ePaper

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

8-10, Lorong Chung Thye Phin 30250 lpoh

Perak Darul Ridzuan Tel: 05-253 0402

Fax: 05-253 9669/254 6445

KUALA LUMPUR

17, Lorong Ma'arof, Bangsar 59000 Kuala Lumpur

Tel: 03-2284 2920/2985/1717

Fax: 03-2284 1712

35-G, 35-1, 35-2, Lebuh Tapah Bandar Klang, 41400 Klang, Selangor Darul Ehsan

Tel: 03-3344 8978 Fax: 03-3344 4584

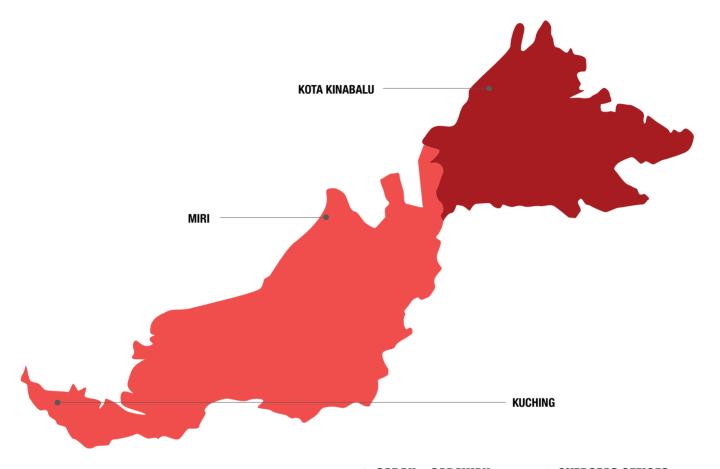
PUTRAJAYA

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 Ismail 25000 Kuantan. Pahang Darul Makmur

Tel: 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

First Floor, Sublot 7, Song Plaza, Jalan Tun Jugah, 93350 Kuching, Sarawak

Tel: 082-457 888 Fax: 082-459 457

MIRI

Lot 2597. Wisma United Borneo Press Jalan Piasau, 98000 Miri, Sarawak

Tel: 019 815 6421

OVERSEAS OFFICES

CHINA

No. A4103, Soho Xian Dai Cheng 88, Jianguo Road Chaoyang District

Beijing 100022, China Tel: 86-10-858 03711 Fax: 86-10-858 03711

SINGAPORE

Star Publications (Singapore) Pte Ltd 100, Beach Road,

#22-11/12, Shaw Towers Singapore 189702

Tel: 02-6292 7573/7585/6350

Fax: 02-6297 2474



PROXY FORM

I/We

CDS ACCOUNT NO.	OF AUTHORISED NOMINEE

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

IC No./ID No/ Company No		(new)		(old)	
of					(full address)
peing	a member of STAR PUBLICATIONS (MALAYSIA) BERHAD, hereby appoint				
name	name of proxy as per NRIC, in capital letters) IC No (new)		w)		(old) or
ailing	him/her	(n	ame of proxy as	s per NRIC, i	n capital letters)
Menar	(new)	ay 2015 at ⁻	10.00 a.m. and	at any adjou	rnment thereof.
	discretion.	do not do s	o, ilie pioxy wii	I VOICE OF AIDS	Lair irom vourig
NO	RESOLUTIONS			FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 Decemtogether with the Directors' and Auditors' Reports thereon	ber 2014	Resolution 1		
2.	To re-elect Datuk Seri Wong Chun Wai who retires pursuant to Article 117 of the Co Articles of Association	ompany's	Resolution 2		
3.	To re-elect Dato' Dr Mohd Aminuddin bin Mohd Rouse who retires pursuant to Al of the Company's Articles of Association	rticle 117	Resolution 3		
4.	To re-elect Datin Linda Ngiam Pick Ngoh who retires pursuant to Article 11 Company's Articles of Association	7 of the	Resolution 4		
5.	To re-appoint Tan Sri Datuk Seri Kamal Mohamed Hashim who is retiring pursuant to 129(6) of the Companies Act, 1965	o Section	Resolution 5		
6.	To approve payment of Director' fees		Resolution 6		
7.	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Dir fix their remuneration	rectors to	Resolution 7		
8.	Authority under Section 132D of the Companies Act, 1965 for Directors to issue s	hares	Resolution 8		
9.	Proposed renewal of authority for the Company to purchase its own ordinary shar		Resolution 9		
10.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of A or Trading Nature	Revenue	Resolution 10		
11.	Proposed Change of Name from Star Publications (Malaysia) Berhad to Star Media Grou	ıp Berhad	Resolution 11		
			held :		
Signat	ture/Common Seal Date :				

- Only members registered in the Record of Depositors as at 8 May 2015 (General Meeting Record of Depositors) shall be eligible to attend the meeting in i) person or appoint proxy or proxies to attend and vote on their behalf.
- 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.
- 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.

fold here

STAMP

Company Secretary

STAR PUBLICATIONS (MALAYSIA) BERHAD (10894-D)

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

