







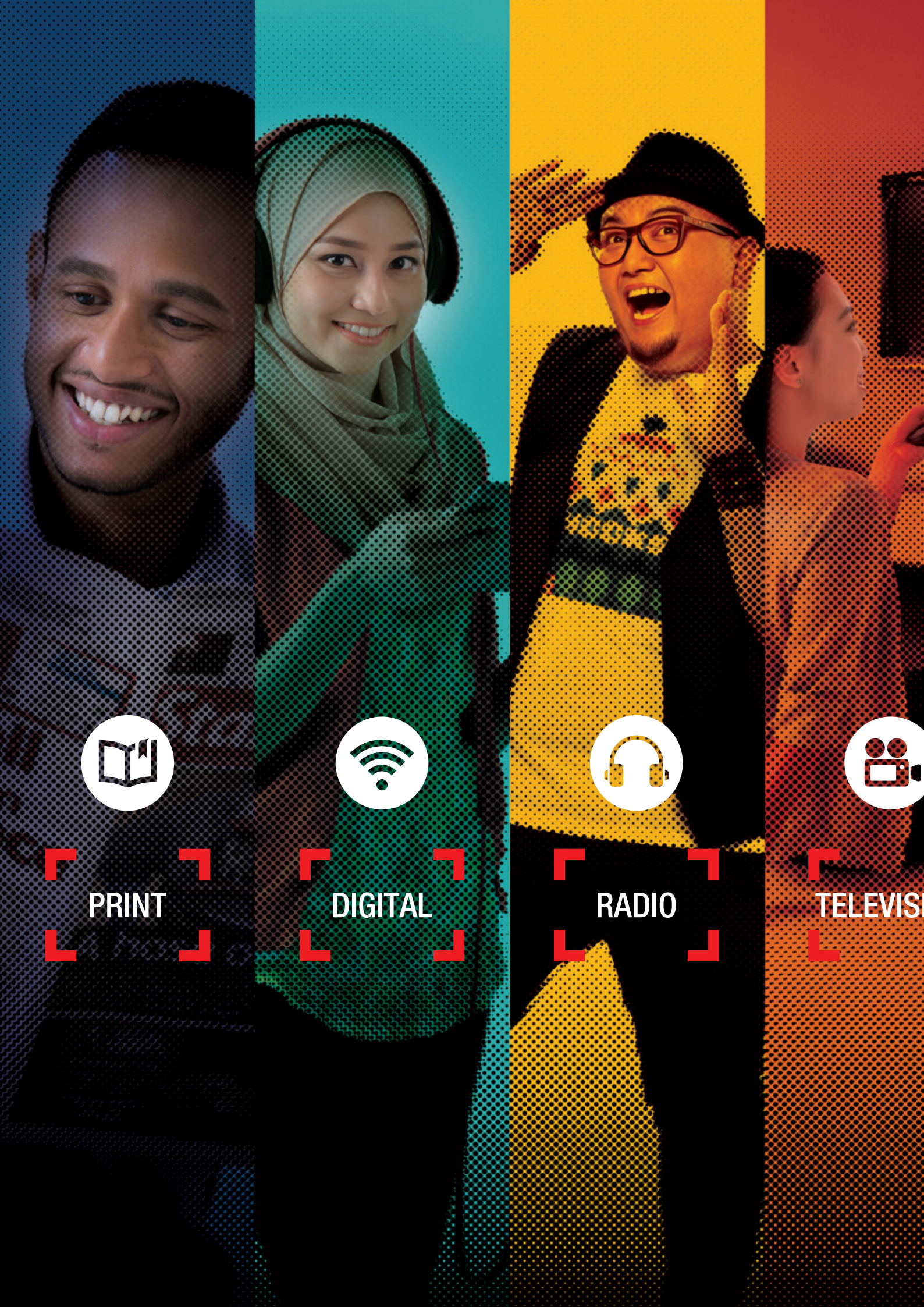
# SEIZING THE FUTURE WE'RE **IN**

In this Digital Age, information and entertainment are available with a simple click, touch or swipe, consumed on multiple devices that go where you go. As the world changes at an unprecedented pace, so too must our role as media influencers evolve with it.

With every challenge we face in our 45 years history, we have emerged from the experience bigger, better and stronger, growing from a single-product company to a multi-channel media group in the Print, Digital, Radio, Television, Events, Training and Out-of-home businesses.

This annual report charts our transition from Star Publications (Malaysia) Berhad to Star Media Group Berhad, unveiling a company that is leading the way to inform, inspire and innovate. This transformation is a huge step forward for us, staying 'in' and relevant in the Digital Age to continue charting the course together as a company that redefines the future of tomorrow, today.





PRINT



DIGITAL



RADIO



TELEVISION





ION



EVENTS



TRAINING



OUT-OF-HOME

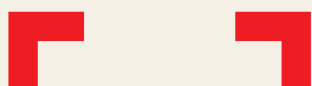


# **STAR MEDIA GROUP** **BRAND STORY**

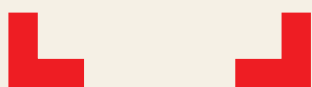
WHO WE ARE TODAY,  
IS NOT THE SAME AS WHO  
WE WERE BEFORE. AT  
THIS EXCITING JUNCTURE  
OF OUR COMPANY'S  
JOURNEY, IT IS TIME  
FOR US TO REVIEW AND  
REVEAL WHAT STAR MEDIA  
GROUP STANDS FOR AS A  
COMPANY, AND HOW WE  
WILL MOVE FORWARD AS  
A GROUP.

THIS IS  
**STAR MEDIA GROUP**





## VISION



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

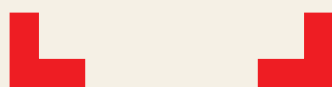
**SOAR TO GREATER HEIGHTS.**  
.....

**MAKE A DIFFERENCE ALWAYS.**  
.....

**GROW THE RIGHT WAY.**  
.....



## MISSION



OUR ROLE AS A  
MEDIA COMPANY IS  
TO KEEP THE PEOPLE  
INFORMED AND  
INSPIRED THROUGH  
OUR CONTENT  
AND SERVICES. IN  
ORDER TO CONTINUE  
OFFERING OUR  
CUSTOMERS THE  
BEST-IN-CLASS  
PRODUCTS AND  
EXPERIENCES, WE  
WILL CONTINUE TO  
INNOVATE.

**INFORM, INSPIRE AND INNOVATE**



# DEFINING MOMENTS OF 2015



## LAUNCH OF AIM (Audience Interest Marketing)



Target the **RIGHT AUDIENCE**, at the **RIGHT TIME**, with the **RIGHT CONTENT** for Effective Campaign Exposure

### A DIGITAL BREAKTHROUGH

#### 1ST

Malaysian media company to introduce **AUDIENCE TARGETING** on our Digital Platforms

Enables advertisers to **MAXIMISE REACH** & prevent wastage of advertisement budgets on unseen impressions

“With AIM, we offer a **PREMIUM PLATFORM** where brands can effectively target the audience we know best.” – Roy Tan, Chief Digital Officer of Star Media Group Berhad

#### 13 AUDIENCE SEGMENTS

- Business • Investors • Property • Automotive • Fashion & Beauty • Entertainment • Food
- Sports • Travel • Health • Job Seekers • Malay Literate • Chinese Literate

AIM provides:

- BRAND ASSURANCE AND QUALITY AUDIENCES
- TRANSPARENT ADVERTISEMENT PLACEMENTS AND PRICING
- 100% VIEWABLE, ACROSS ALL PLATFORMS
- REMARKETING ACROSS A DIVERSIFIED NETWORK
- ZERO SURCHARGE ON RICH MEDIA AND VIDEO

“I am confident that AIM will be a **GAME-CHANGER** not only for Star Media Group, but for the local digital advertising scene.” – Calvin Kan, Group Chief Operating Officer of Star Media Group Berhad





## THESTARTV.COM IS LIVE



The **1ST** Comprehensive Mobile TV

With 5 Main Channels

• News • Business • Lifestyle • Entertainment • ASEAN

With Programmes such as Evening Edition, Asean Now: Weekly Wrap, Driven & BizNews

Accessible on **ANY DEVICE**

**LOCAL, REGIONAL & GLOBAL CONTENT**

produced in-house and sourced from our partners

Stepping stone into the **ASEAN** market

"The next journey starts today with TheStarTV.com." – Datuk Seri Wong Chun Wai,  
Group Managing Director and Chief Executive Officer of Star Media Group Berhad





## THE STAR EPAPER CROSSES THE 100,000 SUBSCRIBERS MARK



### 1ST EPAPER

in Malaysia to hit six-figure subscription

The Star-Sin Chew ePaper Bundle

### A HISTORIC COLLABORATION

Joining the 1st ASEAN ePaper Bundle

### 1 SUBSCRIPTION 5 EPAPERS

with full access to

- The Star • China Daily Asia Weekly
- The Jakarta Post • The Nation
- The Philippine Daily Inquirer

“Star Media Group strives to bring inspiration and innovation beyond the printed words, and from this aspiration we offer the digital replica of the physical newspaper.” – Datuk Seri Wong Chun Wai, Group Managing Director and Chief Executive Officer of Star Media Group Berhad



# INSIDE THIS REPORT

## TABLE OF CONTENTS

---

5	Notice of Annual General Meeting	28	Chairman's Statement	61	Awards 2015
9	Financial Calendar	40	Management Team	65	2015 Highlights
10	Group's Five-Year Summary	44	Corporate Governance Statement	79	Corporate Responsibility
14	Group's Financial Highlights	53	Statement on Risk Management and Internal Control	87	Financial Statements
15	Corporate Information	56	Audit Committee Report	207	List of Properties
16	Group Structure	60	Additional Compliance Information	210	Analysis of Shareholdings
18	Board of Directors			213	Share Performance Chart
20	Directors' Profile			214	Corporate Directory
				•	Proxy Form



## NOTICE OF

## ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTY-FOURTH ANNUAL GENERAL MEETING OF STAR MEDIA GROUP BERHAD (FORMERLY KNOWN AS 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, 23 MAY 2016 AT 10.00 A.M. FOR THE TRANSACTION OF THE FOLLOWING BUSINESS:

## AGENDA

## ORDINARY BUSINESS

- |                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon</p> <p style="text-align: right;"><b>Resolution 1</b></p>                                                                                                                    | <p>4. To re-appoint Dato' Dr Mohd Aminuddin bin Mohd Rouse, who is retiring pursuant to Section 129(6) of the Companies Act, 1965</p> <p style="text-align: right;"><b>Resolution 4</b></p> |
| <p>2. To re-elect the following Directors who retire by rotation pursuant to Article 117 of the Company's Articles of Association:</p> <p style="margin-left: 20px;">i) Mr Lee Siang Chin</p> <p style="margin-left: 20px;">ii) Dato' Yip Kum Fook</p> <p style="text-align: right;"><b>Resolution 2</b><br/><b>Refer Note (vi)</b></p> | <p>5. To approve the Directors' fees of up to RM700,000 for the financial year ended 31 December 2015</p> <p style="text-align: right;"><b>Resolution 5</b></p>                             |
| <p>3. To re-appoint Tan Sri Dato' Sri IR Kuan Peng Ching @ Kuan Peng Soon, who is retiring pursuant to Section 129(6) of the Companies Act, 1965</p> <p style="text-align: right;"><b>Resolution 3</b></p>                                                                                                                              | <p>6. To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration</p> <p style="text-align: right;"><b>Resolution 6</b></p>                |



**SPECIAL BUSINESS**

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

**7. 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 7****8. ORDINARY RESOLUTION****PROPOSED RENEWAL OF AUTHORITY FOR STAR MEDIA GROUP BERHAD (FORMERLY KNOWN AS STAR PUBLICATIONS (MALAYSIA) BERHAD) TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PER CENTUM (10%) OF ITS ISSUED AND PAID-UP ORDINARY SHARE CAPITAL**

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

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

whichever is earlier.

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

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



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

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

## Resolution 8

### 9. ORDINARY RESOLUTION

#### **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND ADDITIONAL MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

"**THAT**, pursuant to Paragraph 10.09 of the Main Market 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 29 April 2016 with the related party mentioned therein which are necessary for the Star Group's day-to-day operations, subject further to the following:

- (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,

**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 shall 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 9

- 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

29 April 2016



**Notes:**

- i) Only a depositor whose name appears on the Record of Depositors as at 13 May 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the said meeting.
- ii) A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead provided that where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restrictions as to the qualification of the proxy.
- iii) 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 duly authorised. Any alteration to the Form of Proxy must be initialed.
- 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 is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- v) The instrument appointing a proxy 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 time appointed for holding the meeting or any adjournment thereof. The Form of Proxy can also be deposited in the ballot box provided at the reception counter, Ground Floor of Menara Star.
- vi) Dato' Yip Kum Fook who retires pursuant to Article 117 of the Company's Articles of Association, has indicated to the Company that he does not wish to seek re-election at the Forty-Fourth Annual General Meeting of the Company.

**EXPLANATORY NOTES ON SPECIAL BUSINESS****1. Ordinary Resolution No. 7 – Proposed Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

The Company had, during its Forty-Third Annual General Meeting ("AGM") held on 18 May 2015, 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. 7 proposed under item 7 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.

**2. Ordinary Resolution No. 8 – Proposed Renewal of Authority for Star Media Group Berhad (Formerly known as Star Publications (Malaysia) Berhad) to Purchase its own Ordinary Shares of up to Ten Per Centum (10%) of its Issued and Paid-Up Ordinary Share Capital**

The explanatory notes on Resolution No. 8 are set out in the Statement to Shareholders dated 29 April 2016 accompanying the Company's Annual Report for year 2015.

**3. Ordinary Resolution No. 9 – Proposed Renewal of Existing Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The explanatory notes on Resolution No. 9 are set out in the Circular to Shareholders dated 29 April 2016 accompanying the Company's Annual Report for year 2015.

# FINANCIAL CALENDAR

## FINANCIAL YEAR 1 JANUARY 2015 to 31 DECEMBER 2015

### ANNOUNCEMENT OF 2015 PRELIMINARY RESULTS

First quarter	announced	19 May 2015
Second quarter	announced	18 August 2015
Third quarter	announced	16 November 2015
Fourth quarter	announced	26 February 2016

### DIVIDEND

First Interim	declared	18 August 2015
	entitlement date	25 September 2015
	paid on	16 October 2015
Second Interim	declared	26 February 2016
	entitlement date	31 March 2016
	paid on	18 April 2016
ISSUE OF 2015 ANNUAL REPORT		29 April 2016
ANNUAL GENERAL MEETING		23 May 2016



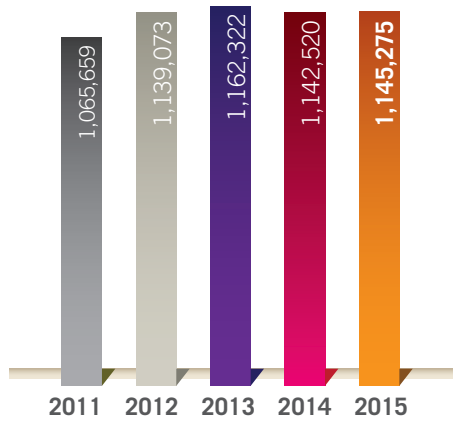
# GROUP'S FIVE-YEAR SUMMARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As at 31 December				
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Fixed assets*	532,517	543,554	515,298	530,351	606,018
Other assets*	169,326	309,391	320,528	238,712	185,955
Non current assets held for sale	32,418	-	-	-	-
Net current assets	651,357	605,009	638,693	677,264	571,983
	1,385,618	1,457,954	1,474,519	1,446,327	1,363,956
Share capital	738,564	738,564	738,564	738,564	738,564
Treasury shares	(225)	(583)	(1,633)	(1,633)	(1,633)
Share option reserve	854	1,040	1,172	817	526
Available-for-sale reserve	233	261	-	-	-
Foreign exchange fluctuation reserve	23,972	22,361	21,116	24,107	31,612
Retained earnings	302,261	377,430	403,103	380,665	376,206
Shareholders' funds	1,065,659	1,139,073	1,162,322	1,142,520	1,145,275
Non-controlling interest	40,195	31,410	31,877	33,807	61,191
Long term and deferred liabilities	279,764	287,471	280,320	270,000	157,490
Total funds employed	1,385,618	1,457,954	1,474,519	1,446,327	1,363,956

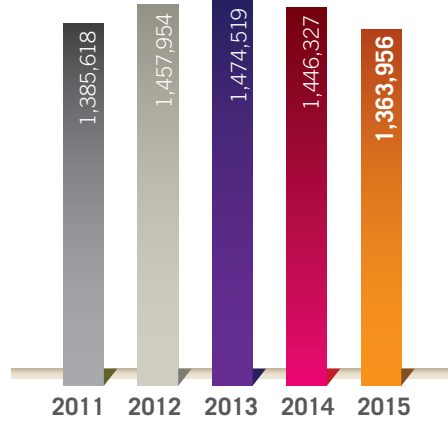
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Year ended 31 December				
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Revenue	1,067,668	1,079,907	1,025,330	1,013,737	1,019,020
Profit before tax	250,531	259,648	192,586	153,421	170,073
Tax expense	(65,219)	(58,906)	(53,170)	(41,388)	(39,464)
Profit after tax	185,312	200,742	139,416	112,033	130,609
Non-controlling interest	1,353	7,357	3,460	(617)	2,347
Profit after tax attributable to shareholders	186,665	208,099	142,876	111,416	132,956
Dividends	(132,930)	(132,930)	(110,738)	(132,832)	(132,832)
Retained earnings for the year	53,735	75,169	25,673	(22,438)	(4,459)

\* Comparative figures for 2011 have been restated in accordance with MFRS 1 *First-time Adoption of Malaysia Financial Reporting Standards*.

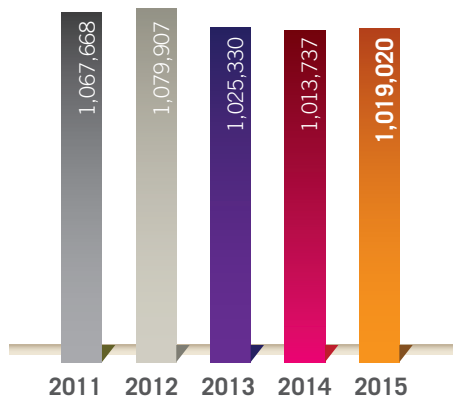
**SHAREHOLDERS' FUND  
(RM'000)**



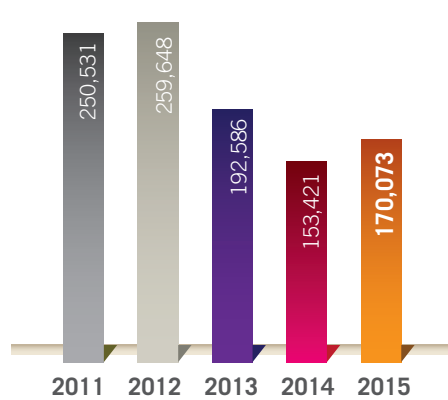
**TOTAL FUNDS EMPLOYED  
(RM'000)**



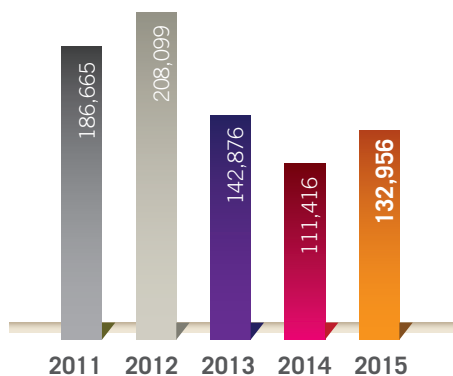
**REVENUE  
(RM'000)**



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



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











# WE [IN] FORM

CREATING  
CONVERSATIONS  
THAT MATTER

We help to shape the future of the nation, nurturing an informed society to help Malaysia soar to greater heights of success. Our seven media channels connect people to resources, education and skills, empowering them to make informed and considered decisions about their economic and social life.



# GROUP'S FINANCIAL HIGHLIGHTS

AS AT 31 DECEMBER

		2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Revenue		1,067,668	1,079,907	1,025,330	1,013,737	1,019,020
Profit before tax		250,531	259,648	192,586	153,421	170,073
Profit after tax attributable to shareholders		186,665	208,099	142,876	111,416	132,956
Paid-up capital		738,564	738,564	738,564	738,564	738,564
Shareholders' funds		1,065,659	1,139,073	1,162,322	1,142,520	1,145,275
<b>FINANCIAL RATIOS</b>		<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Revenue growth	%	0.6	1.1	(5.1)	(1.1)	0.5
Net earnings per share <sup>#</sup>	sen	25.28	28.18	19.36	15.10	18.02
Return on shareholders' funds	%	17.5	18.3	12.3	9.8	11.6
Dividend per share	sen	18.0	18.0	15.0	18.0	18.0
Net assets per share <sup>^</sup>	RM	1.44	1.54	1.58	1.55	1.55

<sup>#</sup> Computed based on adjusted weighted average number of ordinary shares.

<sup>^</sup> Computed based on net number of outstanding paid-up capital.

# CORPORATE INFORMATION

AS AT 31 MARCH 2016

15

## BOARD OF DIRECTORS

### **DATO' FU AH KIW @ OH (FU) SOON GUAN**

(Independent Non-Executive Director & Chairman)

### **TAN SRI DATO' SRI IR KUAN PENG CHING @ KUAN PENG SOON**

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

### **DATUK SERI WONG CHUN WAI**

(Group Managing Director & Chief Executive Officer)

### **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)

**Tan Sri Dato' Sri IR Kuan Peng Soon** (Member)

### **REMUNERATION COMMITTEE**

**Tan Sri Dato' Sri IR 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)

**Tan Sri Dato' Sri IR Kuan Peng Soon** (Member)

**Datin Linda Ngiam Pick Ngoh\*** (Member)

**Dato' Dr Mohd Aminuddin bin Mohd Rouse** (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

Level 8, BDO @ Menara CenTARA

360 Jalan Tuanku Abdul Rahman

50100 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

CIMB Bank Berhad

### **REGISTRAR**

**Tricor Investor & Issuing House Services Sdn. Bhd.**

(Company No. 11324H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3

Bangsar South, No. 8 Jalan Kerinchi

59200 Kuala Lumpur

Tel : 03-2783 9299

Fax : 03-2783 9222

### **STOCK EXCHANGE LISTING**

**Main Market of Bursa Malaysia Securities Berhad**

Stock Code: 6084

Stock Name: STAR

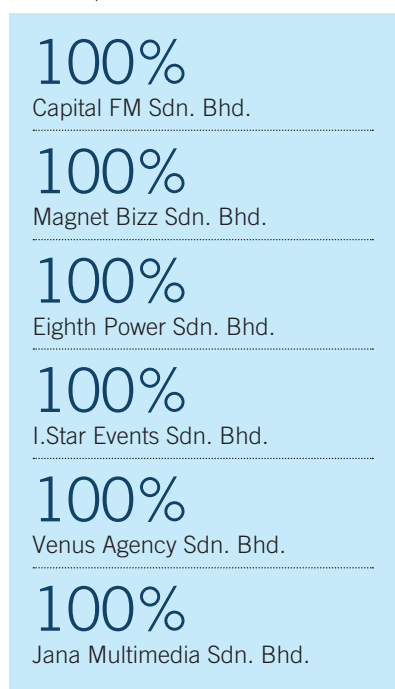
### **WEBSITE**

**[www.starmediagroup.my](http://www.starmediagroup.my)**

The Company's Annual Report 2015 is available on the Company's website at [www.starmediagroup.my](http://www.starmediagroup.my) and also on Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

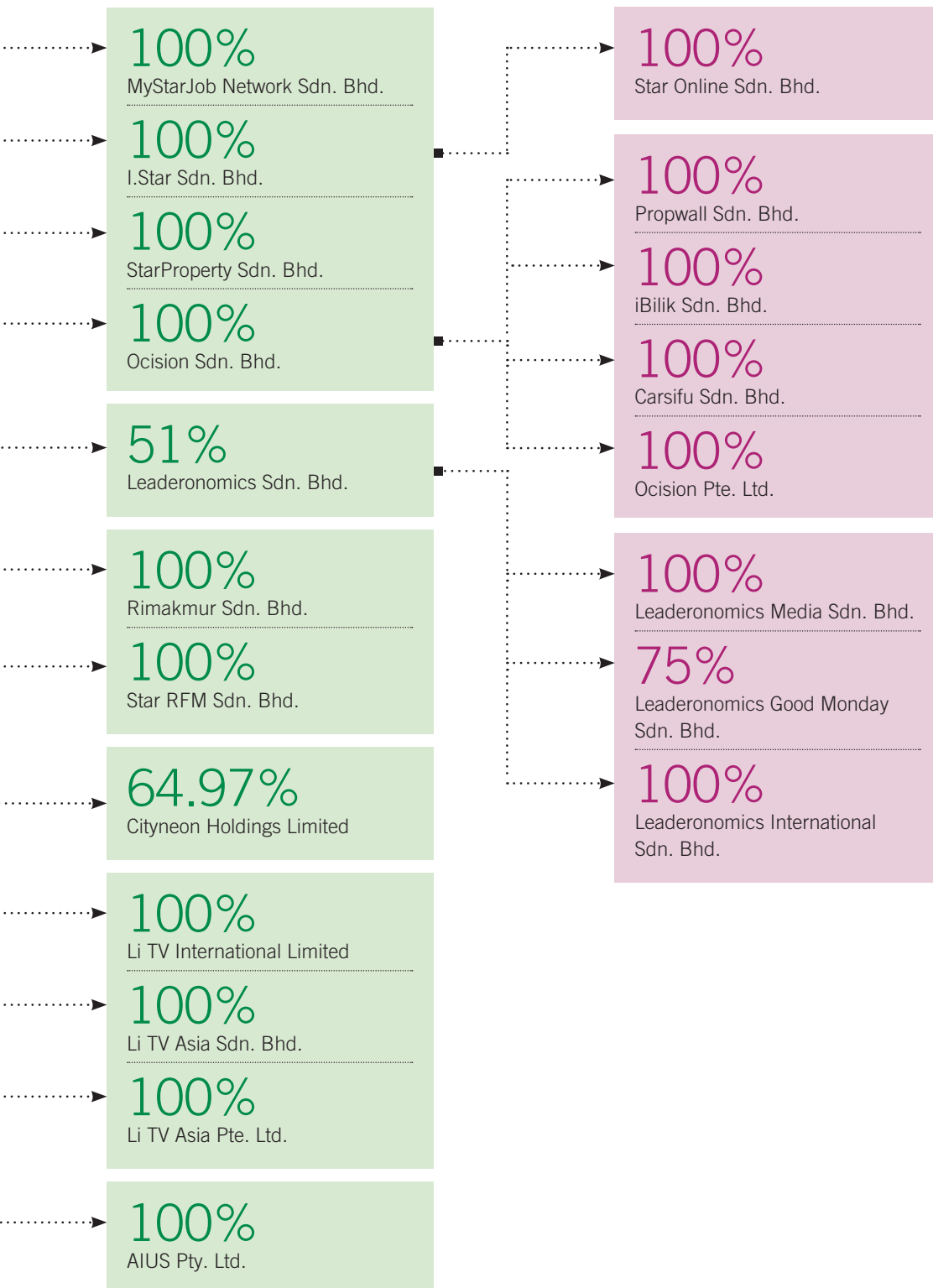


## Star MEDIA GROUP



# GROUP STRUCTURE (CONTD')

AS AT 31 MARCH 2016



# BOARD OF DIRECTORS

FROM LEFT TO RIGHT:

- > DATO' FU AH KIOH @ OH (FU) SOON GUAN
- > TAN SRI DATO' SRI IR KUAN PENG CHING @ KUAN PENG SOON
- > DATUK SERI WONG CHUN WAI
- > MR LEE SIANG CHIN





- > DATIN LINDA NGIAM PICK NGOH
- > DATO' DR MOHD AMINUDDIN BIN MOHD ROUSE
- > DATO' YIP KUM FOOK
- > MR LEW WENG HO



# DIRECTORS' PROFILE


**DATO' FU AH KIW @ OH (FU) SOON GUAN**

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

Dato' Fu was appointed as an Independent Non-Executive Director of Star on 27 February 2014 and was elected Chairman of the board 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.

He has more than thirteen (13) years of distinguished service in the Malaysian Government. 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 six (6) board meetings held during the financial year ended 31 December 2015.

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.


**TAN SRI DATO' SRI IR KUAN PENG CHING @ KUAN PENG SOON**

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

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

Tan 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.

Tan Sri Kuan currently is the Executive Chairman of Fajarbaru Builder Group Bhd. and sits on the board of several other private companies. He also sits on the Board of Cityneon Holdings Limited Singapore, a listed subsidiary of Star. He also serves as a trustee of Star Foundation.

He attended all six (6) board meetings held during the financial year ended 31 December 2015.

Tan 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 CHUN WAI

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

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

Datuk Seri Wong holds a Bachelor of Arts degree from Universiti Kebangsaan Malaysia, majoring in political science and history. He has attended financial and leadership development programmes organised by the International Centre For Leadership In Finance at several American universities including the University of Stanford and University of Southern California. Datuk Seri Wong is also an adjunct professor at Universiti Utara Malaysia (UUM) and a Fellow at the Universiti Kebangsaan Malaysia (UKM). He is also an advisory panel member of the UKM Graduate School of Business. Datuk Seri Wong is a supervisory counsel of Bernama, the national news agency and a member of the Governance Council of the National Innovation Agency in the Prime Minister's Department.

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

He attended all six (6) board meetings held during the financial year ended 31 December 2015.

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.



## MR LEE SIANG CHIN

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

Mr Lee was appointed as an Independent Non-Executive Director of Star on 24 May 2010. He is the Chairman of the Audit Committee and also a member of the Nomination Committee and Finance Committee 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 six (6) board meetings held during the financial year ended 31 December 2015.

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.



**DATIN LINDA NGIAM PICK NGOH**

60 years of age, Malaysian  
Independent Non-Executive Director

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

Datin Linda Ngiam holds a Bachelor of Arts (Honours) 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 Chairperson of the ABC Content & Communications Committee and also held the position of the honorary secretary of Malaysian Newspapers Publishers Association and was a board member of the Advertising Standards 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 six (6) board meetings held during the financial year ended 31 December 2015.

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

**DATO' DR MOHD AMINUDDIN BIN MOHD ROUSE**

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

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, Trustgate Berhad and a trustee of Star Foundation. He is also Chairman of Star Media Radio Group and Li TV Group, subsidiaries of Star.

He attended all six (6) board meetings held during the financial year ended 31 December 2015.

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.



## DATO' YIP KUM FOOK

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

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

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

He attended all six (6) board meetings held during the financial year ended 31 December 2015.

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 WENG HO

68 years of age, Malaysian  
Independent Non-Executive Director

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

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 six (6) board meetings held during the financial year ended 31 December 2015.

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.



IN MEMORY OF THE LATE TAN SRI DATUK SERI KAMAL MOHAMED HASHIM, A MEMBER OF THE BOARD OF DIRECTORS OF STAR MEDIA GROUP BERHAD, WHO PASSED AWAY ON 2 FEBRUARY 2016.

Tan Sri Datuk Seri Kamal was appointed to the Board on 26 May 1973. He was a businessman prior to his appointment as Executive Director of Star. Throughout his career at Star, he served as Personnel and Administration Manager, as well as Northern Regional Sales Manager including advertisement sales and was appointed Regional Director in 1984. He also held directorships within the Star Media Group of Companies.

Tan Sri Datuk Seri Kamal was highly respected as a community leader for his roles as Chairman of the Crime Prevention Foundation of Penang, and Chairman of the

Penang Association of Justice of Peace from 1993 to 2001. He held the Chairmanship of the Penang General Hospital's Board of Visitors for about 10 years. He fulfilled his fiduciary duties as a trustee of Star Foundation and Yayasan Budi Penyayang Malaysia (Penyayang), Penang Swimming Club, and as Advisor of the Crime Prevention Foundation Penang Chapter.

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



**WE ARE DEEPLY SADDENED BY THE PASSING OF OUR  
DEAR COLLEAGUE AND FRIEND.**

**YOU WILL FOREVER REMAIN IN  
OUR THOUGHTS AND PRAYERS.**











# WE [IN]SPIRE

CREATING  
LASTING IMPACT  
BEYOND  
THE HERE & NOW

We are committed to make a difference always, inspiring everyone to see more, learn more, and achieve more. Now as an integrated media player, we are able to inspire others beyond the printed words, offering exciting content at various touchpoints to connect with the people.



# CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Star Media Group Berhad, I am pleased to present to you the Company's Annual Report and Audited Consolidated Financial Statements for the financial year ended 31 December 2015.

In spite of an operating landscape paved with macroeconomic challenges and intense competition, the Star Media Group successfully recorded an 11% rise in profit before tax for its 2015 financial year compared to the previous year.



11%

RISE IN PROFIT  
BEFORE TAX IN  
2015

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



This achievement was made possible by the Group's resolve to proactively manage cost while at the same time assertively positioning itself as a dynamic, innovative and integrated media group. While the immediate industry outlook may remain difficult, the Group is confident that its current course will steer it to higher levels of success.

## INDUSTRY TRENDS AND DEVELOPMENTS

The media and advertising industry operated within a tough environment in 2015. From a macroeconomic perspective, the global economy was impacted by the slowdown in China, subdued growth in the United States and faltering economies in Europe and South America. On the domestic front, the depreciation of the Ringgit, the fall in oil price and the implementation of the Goods and Services Tax in April 2015 were factors that led to a more cautious approach to spending, be it by businesses or by individual consumers.

Naturally, the dampened business and consumer sentiments were reflected in the overall advertising market.

The Malaysian advertising market registered a lower total rate card spending of RM13.6 billion in 2015 compared to RM14.1 billion a year ago, according to Nielsen Media Research. Out of this, RM4.15 billion was spent on newspapers, a dip of 10.7% compared to last year. In terms of total advertising spent on English newspapers, *The Star* continued to lead the segment with a market share of 57.8%.

## FINANCIAL PERFORMANCE

For the financial year ended 31 December 2015, the Group's revenue increased marginally by 0.5% to RM1.02 billion from RM1.01 billion a year ago. This translated into a higher profit before tax amounting to RM170.07 million as compared to RM153.42 million in 2014.

Basic earnings per share was also higher at 18.02 sen compared to 15.10 sen a year ago while net assets per share as at 31 December 2015 was at RM1.55 (FY2014: RM1.55).

The Star Media Group's positive performance was primarily attributed to its resolute cost management efforts and ongoing determination to drive contribution from its core business operations.



#### TOTAL REVENUE

RM1.02  
BILLION



#### PROFIT BEFORE TAX OF

RM170.07  
MILLION

#### DIVIDENDS

The Board of Directors had declared an interim dividend of 9.0 sen per ordinary share in respect of the financial year ended 31 December 2015. The dividend is to be payable to the shareholders on 18 April 2016.

Coupled with the interim dividend of 9.0 sen per ordinary share that was paid on 16 October 2015, total dividends that were paid out to shareholders for the financial year ended 31 December 2015 will amount to 18.0 sen per ordinary share.

#### BUSINESS DEVELOPMENT AND OPERATIONS

During the year under review, the Group completed its change of name from Star Publications (Malaysia) Berhad to Star Media Group Berhad following the approval from its shareholders. This is a significant milestone for the Group as it reflects our transformation into a complete media group with diverse business streams and media assets.

In 2015, the Group also implemented a digital road map that focuses on the use of new technologies to drive advertising revenue. This was complemented by initiatives to improve corporate governance, efficiencies and cost controls.

Collectively, our efforts are aimed at maximising earnings from our core businesses while putting in place processes and best practices that will enhance shareholders' value in a sustainable way.

#### PRINT

*The Star* and *Sunday Star* remain the primary contributors to the Group's earnings. As such, it is heartening to note that the leading newspaper brand has continued to grow from strength to strength after 45 years in operation.

According to Audit Bureau of Circulation (ABC), *The Star* successfully maintained its lead by registering the highest circulation figure amongst paid English dailies for both its print and ePaper.

The Nielsen Consumer and Media View showed that the daily readership of *The Star* shot up by 33.8% to 1,410,000 from January to December 2015, compared to 1,054,000 a year ago. Weekly readership increased 18.1% to 1,691,000 from 1,432,000. During the same period, *Sunday Star* also saw a double-digit spike in readership of 42.2% to 1,348,000 from 948,000 previously. Just as noteworthy, the survey also found that 86.8% of English newspaper readers in the country read *The Star* daily.







“The Group unveiled its first web series called *The Ethnicity Tag* that features Malaysians with multi-ethnic roots and multi-racial ancestry which is in line with the Group’s ongoing call to embrace moderation in Malaysia.”

Continuous innovation remains integral to the Star Media Group’s continued success, more so with the onslaught of competitors from the print and digital space. In line with this, *The Star* introduced *StarSMEBiz* in 2015. This new weekly pullout is dedicated to small and medium enterprises (SMEs), featuring inspiring stories of entrepreneurs, start-ups and SME owners. The pullout is also available digitally in English ([thestar.com.my/smebiz](http://thestar.com.my/smebiz)) and Chinese ([starsmebiz.com](http://starsmebiz.com)).

With the aim to offer greater value and convenience to our readers, *The Star* introduced *The Star* and *Sin Chew Daily* ePaper bundle and the *RedOne* phone bundle during the year. These co-branding initiatives can also help the brand reach out to and engage new customer segments. *The Star* is also continuing its collaborations with ASEAN ePapers in a bid to expand its reach across the region.

## DIGITAL

As we move further into the Digital Age, “digital solutions” have become more of a necessity than a buzzword to the media and advertising industry. The Star Media Group is clearly ahead of the digital curve as the Group celebrates the 20th anniversary of *The Star Online* in 2015. After two decades, *The Star Online* reaches to more than 4.5 million readers every month. Its English business segment, *Starbiz Online*, is the No.1 website in Malaysia.

Despite its success, *The Star Online* continues to push ahead with new and exciting updates throughout 2015. These include the launch of *The Star Online Star Metro*, *Star2.com*, *TheStarTV.com* and *The Star Online Daily Alert*. These new introductions will solidify *The Star Online* as the one-stop, comprehensive news and lifestyle website in Malaysia. *The Star Online* also struck a partnership with Facebook, MSN and Google Newsstand. Strategic placements of our content within these platforms extended our reach within the top social network and gained new local and international readers.

“Star Media Group launched Audience Interest Marketing which enables digital advertising campaigns to target specific audience groups based on demographics, interests and behaviours.”



In terms of reaching out to new and younger market segments, Star Media Group relaunched its *Star Mobile App* in 2015 and introduced new mobile applications including *Star2*, *mStar* and *TheStarTV*. In addition to these, the Group also unveiled its first web-series called *The Ethnicity Tag* on *TheStarTV.com*. The show features Malaysians with multi-ethnic roots and multi-racial ancestry revealing secrets about their family tree and cultural inheritance. This is in line with the Group's ongoing call to embrace moderation in Malaysia.

In the realm of digital advertising, Star Media Group launched AIM or Audience Interest Marketing, a first for any media company in Malaysia. AIM enables digital advertising campaigns to target specific audience groups based on demographics, interests and behaviours. Advertisers are able to choose from 13 specific segments which include investors, business, property, automotive and entertainment.

## BROADCAST MEDIA

### Radio

988FM, one of Malaysia's leading radio stations in the Chinese market, strengthened its infotainment format with more compelling content and achieved its highest listenership of 1.7 million cumulative listeners, an increase of approximately 30% from the last survey by GfK.



In the third quarter of 2015, we launched a daily SMI/SME feature called *Entrepreneurs' Success Stories*. This segment features interviews with distinguished business personalities throughout the nation. Its informative content resonates well with entrepreneurs as the segment offers innovative tools which can be adopted to promote businesses, products or services.

In addition, an on-ground GST informative campaign was held to enable listeners to understand more about GST and its implications. The campaign was successful, with a strong turnout and positive feedback from attendees. The campaign included a talk by a taxation expert as well as interviews and recorded pointers to enable listeners to understand more on the implementation of GST.

SuriaFM continues to reign with its three primetime slots which are the breakfast show, drive show and evening show. On the English language front, Red FM and Capital FM continued to offer their best music contents to listeners.

### TV

In mid-2015, *Life Inspired TV* channel successfully unveiled a new look following its makeover exercise. The enhancements reinforced the channel's position as a world-class platform for Asian lifestyle.



988FM

**1.7** MILLION  
LISTENERS

SURIA FM

**2.3** MILLION  
LISTENERS

STAR MEDIA GROUP BERHAD  
ANNUAL REPORT 2015



“The channel will continue to deliver top-picked lifestyle content while increasing the originally produced content to cater to its predominantly Asian viewership.”





*Tastemakers*, one of *Life Inspired TV*'s original production which celebrates Malaysia's home-grown success stories, continued with its third edition in 2015. *Life Inspired TV* also successfully secured a top regional project with Tourism Australia in the form of a seven-episode food travelogue.

Moving forward, the channel will continue to deliver top-picked lifestyle content while increasing its originally produced content to cater to its predominantly Asian viewership.

#### EVENTS AND EXHIBITIONS

Cityneon Holdings Limited (Cityneon), the Group's subsidiary company that specialises in providing creative solutions for interior architecture, events, exhibitions and experiential environment, scored a coup in 2015 when it successfully acquired Victory Hill Exhibitions Pte. Ltd. (VHE). VHE holds the rights to operate, market and promote Marvel exhibits for display in museums and science centres or other similar venues. VHE is targeting to open a minimum of two exhibitions – AVENGERS S.T.A.T.I.O.N. in Las Vegas, USA and AVENGERS S.T.A.T.I.O.N. in Paris in 2016. This acquisition will bring Cityneon to a new level of providing exhibition services and add significant value to Cityneon's global offering.

*Perfect Livin' 2015* rolled across the nation with 17 exhibitions, providing visitors with the best home and lifestyle shopping experience. Participating exhibitors also had the opportunity to showcase their products and services to eager home owners. *Perfect Livin'* remains the largest and most successful home and lifestyle exhibition in Malaysia, attracting a steady fan base with well-organised shows that also constantly rewards its visitors and buyers. In 2015, *Perfect Livin'* exhibitions ran various programmes and contests which saw visitors win prizes such as luxurious Jacuzzis, premium mattresses and even a trip to Italy for two. *Perfect Livin'*'s flagship exhibition is held in Putra World Trade Centre twice annually and boasts over 1,250 booths, 500 exhibitors and thousands of top brands per show.

Other annual events, exhibitions and fairs organised by Star in 2015 include *The Star Education Fair*, *the StarProperty*, *The Star Outstanding Business Awards (SOBA)*, *StarWalk*, *FitForLife* health fair and *CHEER*. The Group also carried out a *Voices of Moderation* Youth campaign to encourage young moderates to speak up against extremism.



## LEADERONOMICS

Leaderonomics, the Group's leadership development subsidiary, has expanded its footprint in 2015, with operations running within the Medini region and Cambodia, its first regional greenfield expansion.

This year, the Leaderonomics' youth initiatives also achieved a breakthrough milestone after seven years of tireless groundwork in building leaders in public school. The Ministry of Education officially approved our Leadership Club as a sanctioned Co-Curriculum Club in all public schools across Malaysia, enabling us to build more grassroots leadership. Leaderonomics also launched its Culture and Engagement business unit called Leaderonomics Good Monday, aimed at empowering organisations in building new engaging cultures in their organisations to encourage high performance and great values.

During the year under review, Leaderonomics received multiple awards for their efforts in building leaders towards nation transformation. To-date, Leaderonomics has empowered 6,873 individuals including adults, children and youths, and produced 99 leadership videos to educate and develop leaders beyond boundaries.

## CORPORATE SOCIAL RESPONSIBILITY

Star Media Group is committed to embracing sustainable business practices comprehensively. As a leading media organisation that touches the daily lives of millions of Malaysians, we believe that we can play a positive role in nation building. In line with this view, the Group and its subsidiary companies continue to embrace the four key tenets of CSR, namely Community, Environment, Marketplace and Workplace.



## STAR FOUNDATION DONATED

**RM1,564,000**  
TO 30 NGOS NATIONWIDE  
IN 2015



The Star Foundation is tasked to raise, receive and administer funds for various causes. In 2015, the Foundation donated a total of RM1,564,000 to 30 non-profit organisations nationwide.

National unity is very vital and the key to Malaysia's success. The Star Golden Hearts Award programme under the Star Foundation and supported by Star Media Group was aimed at recognising everyday heroes performing extraordinary acts of kindness or heroism, putting their personal considerations aside to help strangers from different ethnic backgrounds, ultimately strengthening inter-racial understanding and trust amongst Malaysians.

When it comes to the environment, the Group completed retrofitting its offices with energy saving lights during the year. These new lights have since provided notable energy and cost savings for the Group.

In terms of human capital, the Group launched its StarTRACK 3.0 Graduate Trainee Programme in 2015. Under this initiative, six StarTRACKers were hand-picked to undergo a customised one-year programme aimed at equipping them with the right skill-sets and mindset to excel in their career.

A complete report of Star Media Group's CR initiatives that were carried out in 2015 can be found on page 79 to page 86 of this Annual Report.

## OUTLOOK

The Malaysian Institute of Economic Research (MIER) expects Malaysia's Gross Domestic Product (GDP) to grow by 4.7% in 2016. This will be marginally lower compared to the estimated 4.9% GDP growth in 2015.

Macroeconomic headwinds will continue to impact consumer and business confidence in 2016. As a consequence, advertising expenditure is expected to remain soft throughout the year.

Star Media Group is aware of the difficulties ahead and plans to maintain its robust cost management strategy that has proven to be beneficial to the Group in 2015. At the same time, the Group will continue to enhance its various media platforms in terms of quality content and exciting offerings.

We also intend to continue to collaborate with other brands and provide more bundled products to our new and existing customers. This will also help us extend our reach within new customer segments.

As for advertisers, the sales and marketing team of Star Media Group will continue to work closely with the editorial team to offer more creative buys to advertisers. The Group is also expanding aggressively into the digital businesses with video content (TheStarTV) and Audience Interest Marketing (AIM). In addition, the Group is expecting positive contribution from Cityneon via VHE apart from the investments in digital assets.

While the immediate outlook may be challenging, our shareholders can rest assured that the Board of Directors and the Senior Management Team of Star Media Group will work together cohesively and effectively to achieve a satisfactory performance for the financial year ending 31 December 2016.





## APPRECIATION

My fellow Board members and I, along with the management and staff of Star Media Group, wish to extend our deepest condolences to the family of the late Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din, the previous Executive Director of the Group, who had passed away on 2 February 2016. We are all deeply saddened by the loss of our Group's pioneer. Our thoughts and prayers are with his family and loved ones.

On behalf of the Board of Directors, I would like to congratulate and thank our Senior Management Team and all employees for beating the odds and turning in a commendable growth for our 2015 financial year. We are confident that your continued hard work, dedication and loyalty will propel Star Media Group to even greater heights.

We would also like to thank our stakeholders, 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 and confidence in our Group.

Last but not least, I also would like to sincerely thank my fellow Board members for their guidance, advice and steadfast commitment towards exercising their fiduciary duties.

Thank you.

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

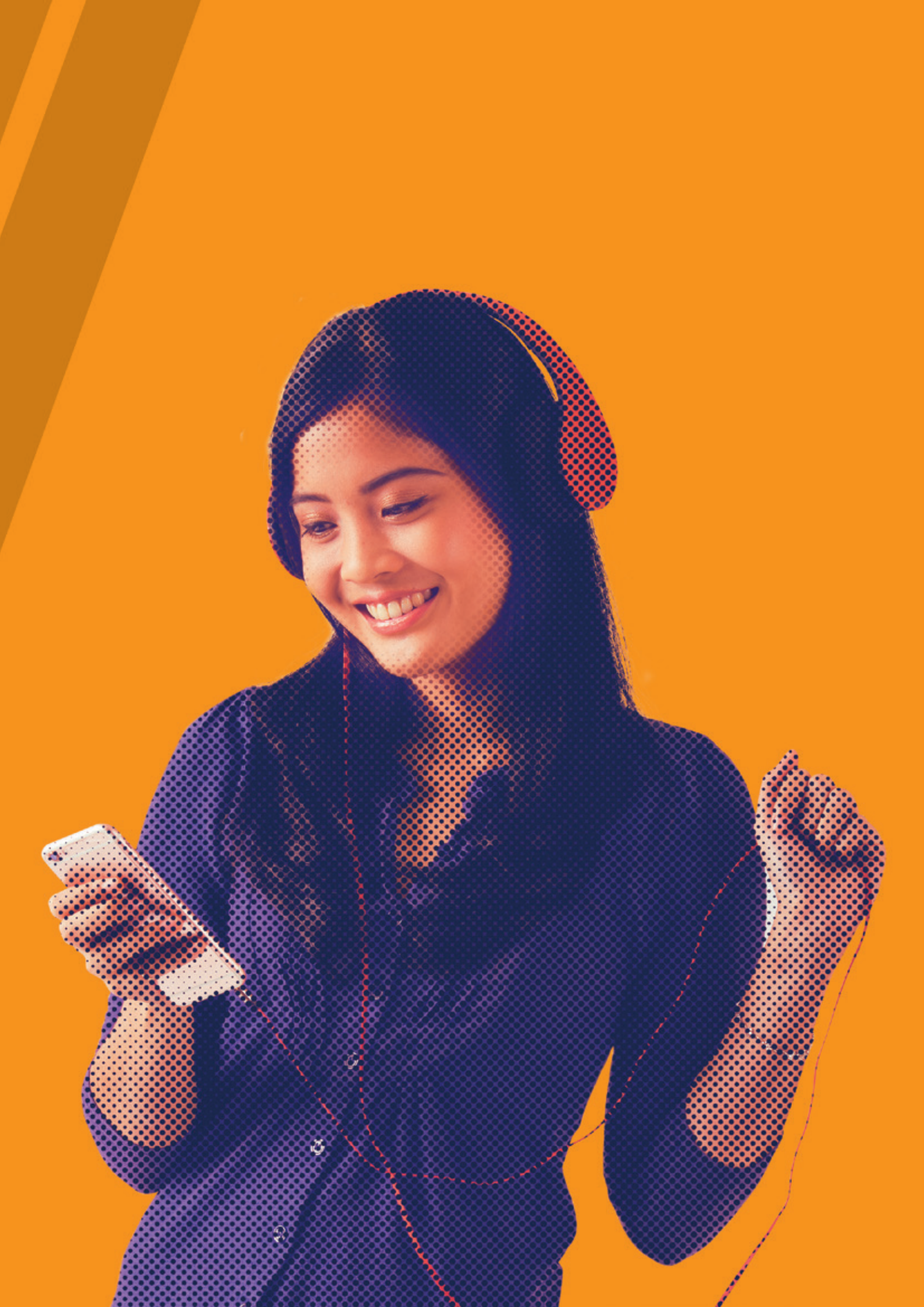
Chairman

31 March 2016

# WE [IN]NOVATE

ANTICIPATE  
THE FUTURE  
NEEDS OF OUR  
AUDIENCE

We are constantly seeking ways to improve our brands, pursuing a bigger and better version of who we are today. Our growth from a single-product company into a multi-channel media group exemplifies our drive to innovate, growing the right way to continue offering our customers the best-in-class products and experiences.





# MANAGEMENT TEAM

FROM LEFT TO RIGHT:

> **ROY TAN KONG WENG**

Chief Digital Officer

> **CALVIN KAN KING SEONG**

Group Chief Operating Officer

Chief Executive Officer, Star Media Radio Group

Chief Executive Officer, Li TV Group

> **JUNE WONG HAR LENG**

Chief Operating Officer, Content Development

> **LIM BEE LENG**

Chief Revenue Officer



- > **DATUK SERI WONG CHUN WAI**  
Group Managing Director & Chief Executive Officer
- > **RAGESH RAJENDRAN**  
Group Chief Financial Officer
- > **DATUK LEANNE GOH LEE YEN**  
Editor-in-Chief







## EDITORIAL

**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

BUSINESS  
UNITS

**Chin Seow Ping**  
Senior General Manager, Advertising  
& Business Development

**David Yeoh Phee Lip**  
Senior General Manager,  
TheStarTV.com (Operations)

**Tommy Lee Chee Yeow**  
General Manager, Group Editorial  
Business Development

**Simone Liong See Mun**  
Acting General Manager,  
Regional Operations (North)

**Paul Chin Wai Tak**  
Assistant General Manager, Autos

**Tan Kooi Choo**  
Acting Assistant General Manager,  
Property Business Unit

PRINT  
SUPPORT

**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





## GROUP SHARED SERVICES

**George Chan Shiang Chiat**  
Senior General Manager,  
Finance (Subsidiaries)

**Iris Tan Kok Foong**  
Senior General Manager,  
Administration

**Terence Raj**  
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

**Yee Wing-Tak**  
Assistant General Manager, Digital

**Lim Liat Hong**  
Senior Manager, Corporate Planning  
& Strategy

**Ong Wei Lymn**  
Group Company Secretary

**Soh Sze Jean**  
General Counsel

**Yuswanis binti Mohd Yusof**  
Acting Manager, Marketing &  
Corporate Communication



## BUSINESS EXTENSIONS

**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

**Roshan Thiran**  
Chief Executive Officer,  
Leaderonomics Sdn. Bhd.

# CORPORATE GOVERNANCE STATEMENT

THE BOARD OF DIRECTORS (“BOARD”) OF STAR MEDIA GROUP BERHAD (FORMERLY KNOWN AS 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” OR “STAR GROUP”) AND IS FIRMLY COMMITTED TO OBSERVING AND MAINTAINING HIGH STANDARDS OF CORPORATE GOVERNANCE, TO PROMOTE CORPORATE TRANSPARENCY AND TO ENHANCE SHAREHOLDER VALUE. THE BOARD ADHERES CLOSELY TO THE PRINCIPLES AND RECOMMENDATIONS OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012 (“CODE”) AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS, INCLUDING THE BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) MAIN MARKET LISTING REQUIREMENTS (“LISTING REQUIREMENTS”).

The Board views corporate governance as synonymous with three (3) key concepts, namely transparency, accountability as well as corporate performance and acknowledges its role in stewardship of the Group in its direction and operation to safeguard the best interests of its shareholders and other stakeholders. The objective of creating shareholder value is achieved by adopting strategies to strengthen the profitable core business and to build possible business adjacencies that leverage on its strength.

The Group’s core business is publication of news and information via various platforms, strategised to strongly lead the field. At Star, integrated media is more than just communications, it’s about harnessing various touchpoints, so that its viewers, listeners, readers and stakeholders

stay in tune with the world around them. The Star Group continues to provide its audience with compelling content that is engaging, insightful and analytical and is committed towards offering the best in integrated media solutions. In 2015, the Company changed its name to Star Media Group Berhad to better reflect the media transformation in the digital era and the different entities under the Group in addition to print, namely digital, radio, television, events and training.

This Statement sets out the Company’s main corporate governance practices with reference to the Code for the financial year ended 31 December 2015. 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 which 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 financial results, material acquisitions and disposals, major capital expenditure and formalising the budgetary process are reserved for the Board. The Group has also in place financial authorisation limits for matters such as operating and capital expenditure.

To promote sustainability, the Company shared five (5) strategies at the last Annual General Meeting ("AGM") in May 2015 that focus on improving corporate governance, efficiencies and cost controls for the Group. These strategies highlighted a digital road map and initiatives undertaken by the Group to expand its footprint into the ASEAN market and improve its revenue stream.

The Board also recognises values 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 succession of senior management.

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 Charter is reviewed and updated periodically according to the needs of the Company and any new regulations that may have an impact on the Board's responsibilities.

### Board Composition and Balance

The Directors are of the opinion that the current Board size and composition is adequate for the scope and nature of the Group's businesses and operations and for facilitating effective decision making. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which 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 eight (8) members. Five (5) of the eight (8) 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 20 to 23 for details of the Directors, their profiles and their respective memberships.

### Division of Roles and Responsibilities

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. 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 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. The Group MD & CEO initiates town hall sessions as an official channel for employees to be notified and updated on the Company's progress, plans and development. The town hall sessions are also an effective platform to encourage employees' interactions with Management to strengthen employee engagement so as to further enhance efficiency at workplace.



### 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 six (6) times during the year and attendance of Directors at Board Meetings, was as below:

Name	Attendance
Dato' Fu Ah Kiow (Chairman)	6/6
Tan Sri Dato' Sri IR Kuan Peng Soon	6/6
Datuk Seri Wong Chun Wai	6/6
Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din (demised on 2 February 2016)	5/6
Mr Lee Siang Chin	6/6
Datin Linda Ngiam Pick Ngoh	6/6
Dato' Dr Mohd Aminuddin bin Mohd Rouse	6/6
Dato' Yip Kum Fook	6/6
Mr Lew Weng Ho	6/6

### 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.

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. Notices of meetings are sent to Directors and Board Committees at least 14 days before the meetings. Management also provides the Board with detailed board papers in advance of meetings specifying relevant information, either for notation or approval for proposals. Senior Management briefs the Board and Board Committees with the requisite information on matters being discussed.

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 and advised on the proposed contents and timing of material announcements to be made to regulators.

The Directors, either as a group or individually, may upon obtaining prior Board's approval, seek independent professional advice, where necessary, at the Company's expense on any matters in relation to the discharge of their duties.

### 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 either the Internal Audit Manager or Chairman of the Audit Committee.

### 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. Ongoing training is provided to staff on the Code and general workplace behaviour to ensure they continuously uphold high standard of conduct when performing their duties.

The Board is provided guidance on disclosure of conflict of interest and other disclosure information/requirements to ensure that the Directors comply with the relevant regulations and practices. 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. The Directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other companies where they have interests for the Company's monitoring on a half yearly basis or as and when required.

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 comply with best practices. 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 tabling of the minutes of the Board Committee meetings at board meetings. The ultimate responsibility for decision making lies with the Board.

#### 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 56 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. Tan Sri Dato' Sri IR 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 role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, experience and characteristics. NC will recommend to the Board, candidates for directorship as well as membership to Board Committees to be filled. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics and professionalism. 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 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 evaluation on the Board's performance and governance process with the aim of improving individual contribution, effectiveness of the Board and Board Committees. The NC also reviews the retirement of Directors eligible for re-election and re-appointment at the AGM.

The NC meets at least once a year or as and when required. During the year, the NC met once and all members attended the meeting. Summaries of activities during the year were:

#### 1. Annual Performance Evaluation

The annual assessments for the Board, Board Committees and individual 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 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.

For the financial year 2015, the NC assessed the effectiveness of the Board, its Committees and the contribution of each Director and also the evaluation of the Group Chief Financial Officer ("Group CFO"). The Directors' evaluation includes a review of the administration of the Board and its Committees covering the operation of the Board and its Committees, agendas, reports and information produced for consideration, the Board's relationship with its Committees and Management and standards of conduct of the Directors. Meanwhile, the evaluation of Group CFO includes a review of his integrity and professionalism, his overall contribution and performance and also personality.

In carrying out its recent annual review, the NC was satisfied that the Board size and its composition are optimum which comprises individuals with the requisite skills, knowledge, experience, characteristics and competencies to effectively discharge their roles. The Directors, Board Committees and key officer had discharged their responsibilities in a commendable manner and contributed to the overall effectiveness of the Board and Company. The Directors had also committed the time necessary to responsibly fulfill their commitment to the Company and Group during the year. The NC also agreed on the re-appointment of the existing Board Committee members for the ensuing year.

#### 2. Annual Assessment of Independent Directors

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

The NC is satisfied that the Independent Non-Executive Directors of the Company 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. Appointments to the Board and Re-election and Re-appointment of Directors

The Company's Articles of Association requires a minimum of two (2) Directors and not more than fifteen (15) who shall have their principal or only place of residence in Malaysia. The Board may appoint an individual to be a Director, either as an addition to the existing Directors or to fill a casual vacancy up to the maximum number. Any new Director appointed by the Board during the year is required to stand for election at the next AGM. For new appointments, the NC will consider the candidate's experience, knowledge and expertise to meet the current and future needs of the Company, besides the existing board size and composition.

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

The NC will review its Terms of Reference from time to time to ensure objectivity and clarity in its responsibilities in line with the best practices of the Code and Listing Requirements.

#### c) Remuneration Committee

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

- i) Tan Sri Dato' Sri IR 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 three (3) meetings during the financial year ended 31 December 2015 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) Tan Sri Dato' Sri IR Kuan Peng Soon (Non-Independent Non-Executive Director) – Member
- iii) Datin Linda Ngiam Pick Ngoh (Independent Non-Executive Director) – Member
- iv) Mr Lee Siang Chin (Senior Independent Non-Executive Director) – Member
- v) Dato' Dr Mohd Aminuddin bin Mohd Rouse (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 twice during the financial year ended 31 December 2015 which were attended by all FC members.

#### Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme conducted by Bursatra Sdn. Bhd. The Board acknowledges the importance of continuous 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. The Company Secretary arranges for the Directors' attendance at the training programmes which are conducted either in-house or by external service providers.

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

Name of Director	Training Programme/Conference/Seminar
<b>Dato' Fu Ah Kiow</b>	<ul style="list-style-type: none"> <li>i) CG Breakfast with Directors: Board Reward &amp; Recognition</li> <li>ii) New and Revised Auditing Standard</li> <li>iii) Sustainability Statement in Annual Report</li> <li>iv) Amendments of the Capital Market &amp; Services Act 2007</li> <li>v) Sustainability Symposium - Responsible Business. Responsible Investing</li> </ul>
<b>Tan Sri Dato' Sri IR Kuan Peng Soon</b>	<ul style="list-style-type: none"> <li>i) Construction Claims with Special Focus on Construction Industry Payment and Adjudication Act 2012</li> </ul>
<b>Datuk Seri Wong Chun Wai</b>	<ul style="list-style-type: none"> <li>i) 4th ERIA Editors Roundtable</li> </ul>
<b>Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din (demised on 2 February 2016)</b>	<ul style="list-style-type: none"> <li>i) Tax awareness and record keeping</li> </ul>
<b>Mr Lee Siang Chin</b>	<ul style="list-style-type: none"> <li>i) ASEAN Capital Market CEO Summit 2015</li> <li>ii) Invest ASEAN 2015 Edition</li> <li>iii) Bank Negara Malaysia (BNM) FIDE Forum: Dialogue with the Governor, BNM</li> <li>iv) Foreign Exchange Administration (FEA) Rules Training Session by BNM</li> <li>v) Audit Oversight Board Conversation with Audit Committee Chairman on the New Audit Report</li> <li>vi) BNM FIDE Forum Event: Recovery &amp; Resolution Plan in Financial Institutions</li> <li>vii) BNM FIDE Forum's 2nd Distinguished Board Leadership Series - "Board's Strategic Leadership: Innovation &amp; Growth in Uncertain Times"</li> <li>viii) BNM FIDE Forum in collaboration with Malaysian Accounting Standards Board (MASB): 3rd Distinguished Board Leadership Series - "Impact of the New Accounting Standards on Banks - what Directors should be Aware of"</li> <li>ix) Annual Risk Workshop by Maybank Group Risk</li> <li>x) World Capital Market Symposium 2015 at Mandarin Oriental Kuala Lumpur by Securities Commission</li> <li>xi) Presentation on "Unmasking Asia: I So Wanna Be Resilient" by Global Strategist, Sadiq Currimbhoy and Regional Strategist</li> </ul>

Name of Director	Training Programme/Conference/Seminar
<b>Mr Lee Siang Chin (cont'd)</b>	<ul style="list-style-type: none"> <li>xii) FIDE Forum: 5th Distinguished Board Leadership Series: Beyond Compliance to Growth: Board's Strategy in Cultivating Real Growth within a Conducive Governance Environment</li> <li>xiii) Special Invite from FIDE (joint project with BNM &amp; Perbadanan Insurans Deposit Malaysia (PIDM)): Focus Group Session on Directors Register</li> <li>xiv) New and Revised Auditor Reporting Standards by Bursa Malaysia</li> <li>xv) New Provisions under the New Code for Listed Companies on the Hong Kong Stock Exchange regarding Risk Management and Internal Control by Davis Polk</li> </ul>
<b>Datin Linda Ngiam Pick Ngoh</b>	<ul style="list-style-type: none"> <li>i) Audit Committee Conference 2015 - Rising to New Challenges</li> <li>ii) Shaking Things Up: Technology that transforms and how to keep pace</li> </ul>
<b>Dato' Dr Mohd Aminuddin bin Mohd Rouse</b>	<ul style="list-style-type: none"> <li>i) CG Breakfast Series with Directors - The Board's response in light of rising shareholder engagements</li> <li>ii) CG Breakfast with Directors: Board Reward &amp; Recognition</li> </ul>
<b>Dato' Yip Kum Fook</b>	<ul style="list-style-type: none"> <li>i) Lead the Change - Getting Women on Board's Events</li> </ul>
<b>Mr Lew Weng Ho</b>	<ul style="list-style-type: none"> <li>i) CG Breakfast Series with Directors - The Board's response in light of rising shareholder engagements</li> <li>ii) CG Breakfast Series with Directors - Future of Auditor Reporting - The game changer for boardroom</li> <li>iii) Corporate Board Leadership Symposium 2015</li> </ul>

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.

The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

#### DISCLOSURE OF DIRECTORS REMUNERATION

Directors' remuneration for the financial year ended 31 December 2015 is as follows:

	Executive RM	Non- executive RM	TOTAL RM
<b>Directors' fees</b>	–	700,000	700,000
<b>Salaries / incentives</b>	2,321,552	–	2,321,552
<b>Employers' contribution to EPF</b>	355,386	–	355,386
<b>Allowances/ Committee Allowances</b>	–	417,200	417,200
<b>Benefits-in-kind</b>	95,655	185,360	281,015
<b>Total</b>	<b>2,772,593</b>	<b>1,302,560</b>	<b>4,075,153</b>

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

Range of Remuneration	Executive Directors	Non-Executive Directors
RM100,001 to RM150,000	–	2
RM150,001 to RM200,000	–	4
RM250,001 to RM300,000	–	1
RM300,001 to RM350,000	1	–
RM2,400,001 to RM2,450,000	1	–
	<b>2</b>	<b>7</b>

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 Director 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. Media releases are also disseminated on significant corporate developments and business initiatives to keep shareholders and investing community updated on the Group's development.

Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guidelines under the Listing Requirements and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators. Announcements are made on a timely basis to Bursa Securities and this is made electronically to the public via Bursa Securities's website as well as the Company's Investor Relations section on the Company's website [www.starmediagroup.my](http://www.starmediagroup.my).

##### Greater Shareholder Participation

The Company's AGM is the principal forum for dialogue with individual shareholders. The Board supports and encourages active shareholder participation at AGM. It is a crucial mechanism in shareholder communication for the Company. All shareholders of the Company receive the notice of AGM and summary financial report and on request, the full annual report. The Company's AGM is normally held within five (5) months after the close of the Company's financial year end. The notice is also advertised in The Star newspaper. 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 any proposed resolution. Usually, a press conference is held immediately after the AGM whereat the Chairman and the Executive Directors answer questions on the Group operations.



**ACCOUNTABILITY AND AUDIT****Financial Reporting**

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

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

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

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

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

**External Audit**

The Group's independent External Auditors 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. The AC manages the relationship with the External Auditors on behalf of the Board. The AC reviews and considers the re-appointment, remuneration and terms of engagement of the External Auditors annually.

The Board upholds the integrity of financial reporting by the Company, and as such, the External Auditors have confirmed to the Board their independence in providing both audit and non-audit services (such as regulatory reviews and reporting and other services). In compliance with the Malaysian Institute of Accountants By-Laws (On Professional Ethics, Conduct and Practice), the Company rotates its audit partners every five (5) years to ensure objectivity, independence and integrity of the audit opinions.

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, AC and the Board. Where deemed appropriate, the Board may discuss audit findings in the absence of the Management.

The amount of non-audit fees paid to the external auditors and their associates during the financial year 2015 is RM413,000.

**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 pages 56 to 59 and Statement on Risk Management and Internal Control as set out in pages 53 to 55 of the Annual Report 2015.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 February 2016.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

DURING THE FINANCIAL YEAR UNDER REVIEW, STAR MEDIA GROUP BERHAD (FORMERLY KNOWN AS 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 (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 ("RMC"), the Head of Enterprise Risk Management and the Internal Audit Department.

To fulfill its oversight responsibility, the Board as a whole or through delegation to the RMC, should review the adequacy, integrity and implementation of appropriate systems for risk management.

The RMC meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted.

### RISK MANAGEMENT DEPARTMENT

The Enterprise Risk Management ("ERM") Division assists the Board and the RMC in carrying out their risk management responsibilities. The ERM is designed to provide sufficient support at both the Group level and subsidiaries level.

ERM is mainly responsible for the following:

- Maintaining a register of risk for the Group;
- Assessing, improving and monitoring the Risk Management framework including risk policy and standards;
- Providing guidance to the divisions in the development of appropriate and effective response strategies and contingency plans to manage and mitigate material risks;
- Issuance of risk reports to the Board and Management; and
- Reviewing key corporate activities that are considered significant from a Group risk perspective.

### RISK MANAGEMENT PROCESS

The key elements of the Group's risk management process are as follows:

- The RMC, 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. The Risk Register is reviewed from time to time or as and when necessary. The identified risks are appropriately communicated to Management and Heads of Department.
- Ownership of the Risk Register also lies with the Heads of Department to constantly manage the risks and to highlight any concerns or new risks to the Head of Enterprise Risk Management.

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 RMC.
- 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 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.

## 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 2015 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 2015. 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

## MEMBERSHIP

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

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

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

Mr Lew Weng Ho  
- Independent Non-Executive Director (Member)

## TERMS OF REFERENCE

The terms of reference of the Audit Committee are set out on pages 57 to 59.

## MEETINGS

The Committee held six (6) meetings during the financial year ended 31 December 2015, 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)	6/6
Dato' Yip Kum Fook (Member)	6/6
Mr Lew Weng Ho (Member)	6/6

## 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 to the review of the External Auditors.
- c) Considered and recommended to the Board for approval of the audit fees payable to the External Auditors.
- d) Reviewed the independence, objectivity and suitability of the External Auditors and services provided, including non-audit services. Non-audit fees totalling RM413,000 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 2016. The Internal Audit Plan for the Group was prepared by making reference to the Risk Register provided by the Head, Enterprise Risk Management.
- 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 Head, Enterprise Risk Management 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 Risk Register prepared by Head, Enterprise Risk Management.
- k) Reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), and the provisions of the Companies Act 1965 in Malaysia.
- l) Reviewed the Company's compliance in particular the quarterly and year end financial statements with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, MFRS-IFRS and other relevant legal and regulatory requirements.
- m) Reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval.
- n) Reviewed the related party transactions and recurrent related party transactions of a revenue or trading nature entered into by the Group.
- o) Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement, incorporating the Statement on Risk Management and Internal Control, pursuant to the Listing Requirements.
- p) Reviewed the relevant policies and guidelines for intercompany transactions.

## INTERNAL AUDIT FUNCTION

The Group has a well-established Internal Audit Department, which reports directly to the Audit Committee and assists the Board of Directors in monitoring and managing risks and internal controls. The Head of Internal Audit has consistent engagement with the Audit Committee by way of verbal and written communications via the Audit Committee Chairman. 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 2015 amounted to RM814,302.

## 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;
- b) 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.

## 2. Chairman

- 2.1 The Chairman of the Audit Committee shall be appointed by members of the Committee and must be an Independent Non-Executive Director.
- 2.2 The main responsibilities of the Chairman of the Committee include:
  - a) Planning and conducting meetings;
  - b) Overseeing reporting to the Board;
  - c) Encouraging open discussion during meetings; and
  - d) Developing and maintaining active on-going dialogue with Management and 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.

## 4. Meetings

- 4.1 The Audit Committee shall meet at least four (4) times in a year. Additional meetings may be called at any time at the discretion of the Chairman of the Audit Committee;
- 4.2 A quorum shall be two (2) members, comprising Independent Non-Executive Directors;

- 4.3 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 auditors, convene a meeting of the Committee to consider any matter, which the external auditors believe should be brought to the attention of the directors or shareholders;

- 4.5 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.

## 5. Authority

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.

## 6. Functions

6.1 The functions of the Audit Committee shall be:

(a) to review:

- (i) 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 money;
- (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 cognisance 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 2015.

### 2. 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 2015. As at 31 December 2015, 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 2015.

### 3. Depository Receipt Programme

There was no Depository Receipt Programme sponsored by the Company during the financial year ended 31 December 2015.

### 4. Sanctions And/Or Penalties

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

### 5. Options Or Convertible Securities

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

### 6. Profit Guarantee

There was no profit guarantee given by the Company during the financial year 31 December 2015.

### 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.

### 8. 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.

### 9. Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company or its subsidiaries for the financial year amounted to RM413,000 by the Company's auditors or a firm or a company affiliated to the auditor's firm.

### 10. Recurrent Related Party Transactions of a Revenue or Trading Nature

At the 43rd Annual General Meeting held on 18 May 2015, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The details of the recurrent related party transactions conducted during the financial year ended 31 December 2015 are disclosed in note 35 of the notes to the financial statements and in the Circular to shareholders dated 29 April 2016.



## PRINT



### JOHOR MEDIA AWARDS

#### Best Feature Article in the English Media

- The Star Johor bureau

#### Best Tourism and Culture News

- Yee Xiang Yun

#### Best Sports News

- Kathleen Ann Kili

#### Best News Photography

- Lim Cheang Kit



### 15TH ASIAN CONFERENCE ON NATIONAL HERITAGE

#### Barah Mihir Award, Asian Distinguished Astrologer & Vasthu Shastri Award

- T. Selva

### CERTIFICATE OF APPRECIATION FROM THE ROAD TRANSPORT DEPARTMENT (JPJ)

Meng Yew Choong for his dedicated effort in ensuring road safety.



## PRINT

MALAYSIAN PRESS INSTITUTE  
(MPI)-PETRONAS MALAYSIAN  
JOURNALISM AWARDS

## Environmental Journalism Award

- Sheila Sri Priya Raman Chetty

A. Samad Ismail Young Journalist  
Award

- Brenda Ch'ng Ai Hwa

## DIGITAL



## ASIAN DIGITAL MEDIA AWARDS

## Digital Media Asia Best Lifestyle Website

- mStar Online



## SPARK AWARDS

## Best Website

- The Star Online



## DIGITAL



### MOBILE MARKETING EXCELLENCE (MOB-EX) AWARDS

Best App/Content by a Media Owner

- The Star Mobile App

### WORLD BLOGGERS AND SOCIAL MEDIA AWARDS

#### Social Media Excellence Award for Online News (English)

- The Star Online

## RADIO

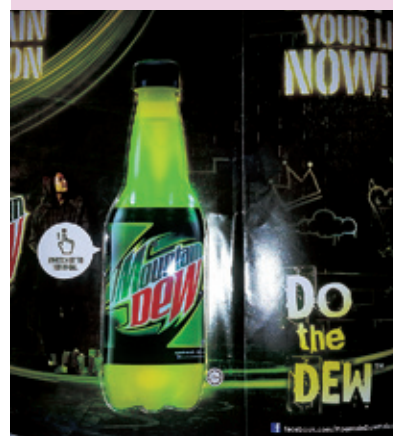


### 8TH GLOBAL CHINESE BROADCASTING AWARDS

#### Programming Creativity Category

- DeeJay Hao Min

## BRAND & MARKETING



### SPARK AWARDS

#### Best Media Solutions in Print Category

- The Star



HUMAN  
CAPITALMCMILLAN WOODS GLOBAL  
AWARDS

**Fearless Media Leader of the Year  
Award**

- Datuk Seri Wong Chun Wai



Leaderonomics received awards in the following categories:

- **HR EXCELLENCE AWARDS**

- Excellence in CSR Practices (Gold)
- Excellence in Employee Engagement (Silver)
- Excellence in Workplace Well-Being (Silver)
- SME of the Year

- **HR VENDOR OF THE YEAR**

- Best Leadership Development Consultant (Gold)
- Best Psychometric Testing Provider (Gold)
- Best Management Training Provider (Gold)

ASIA RECRUITMENT AWARDS  
MALAYSIA

**Best Graduate Recruitment  
Programme**

- Star Media Group



**4TH DATUK THENG BOOK  
MALAYSIA MEDIA BADMINTON  
TOURNAMENT**

**Best Male Category Award**

- Nelsen Ng

**Best Player Award in the Women's  
Category**

- Jessie Lim

## HIGHLIGHTS



PRINT

**Star SMEBiz launch**

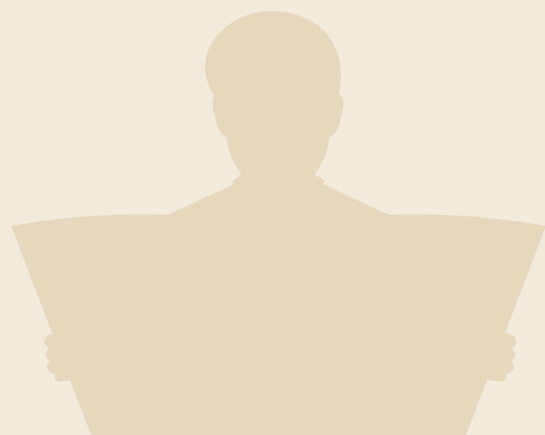
A brand new weekly pullout aimed at small and medium enterprises hits newsstands on March 30th as part of the group's commitment in supporting SME community. Star SMEBiz features inspiring stories of entrepreneurs, start-ups and SME owners. It was launched by Minister in the Prime Minister's Department, Datuk Dr Wee Ka Siong. SMEBiz is also available online in English ([thestar.com.my/smebiz](http://thestar.com.my/smebiz)) and Chinese ([starsmebiz.com](http://starsmebiz.com)).

**Star SMEBiz**  
For Smart Malaysian Entrepreneurs

STAR MEDIA GROUP BERHAD  
ANNUAL REPORT 2015

**RedONE phone bundle programme**

The RedONE phone bundle programme was launched in collaboration with The Star. Customers who signed up for the programme received free annual subscription to the digital version of The Star worth RM180.





DIGITAL

**New StarMetro section in The Star Online**

Star Metro, a new section in The Star Online, reached 1 million pageviews\*. This section features the northern, southern, eastern regions as well as Perak and Sarawak more prominently now. StarMetro online readership response has been encouraging since the revamp in January 2015. The combination of print stories & the latest community updates online has given StarMetro section higher traffic.

\*Source: Google Analytics (Jan 2016).

**The Star Online introduced a new WeChat service**

The newly developed feature releases the top headlines linked to the full stories by 2pm every day. By tapping the headline on The Star Online's WeChat channel brings subscribers to a summary of the story, with a 'Read More' option for the full story on the app.

**CHEER website**

CHEER launched a brand new website, [rage.com.my/CHEER](http://rage.com.my/CHEER) where readers are able to get the latest news and updates on the cheerleading scene in Malaysia. The public are also able to share their stories, articles, videos or photos on the website.

**The Star Online 20th Anniversary**

The Star Online celebrated its 20th Anniversary and launched several features to improve readers' experience. The Star Online was Malaysia's first news website aimed at reporting Malaysian news to the world. It has become Malaysia's provider of award-winning digital journalism. With regular pageviews hit between 1 to 1.5 million per day, the website has maintained its reputation as a trendsetter.

\*Source: Google Analytics (Jan 2016).





### Star2.com launch

Star2.com, a new lifestyle portal of Star Media Group was launched as part of the 20th anniversary celebration of The Star Online. Aside from being the online host for content from the print version of The Star, Star2.com also features new and original content from Entertainment, People, Style, Culture, Food, Health and more. Star2.com App is also available on Apple App Store & Google Play for free.



### Revamp of The Star Mobile App

The Star Mobile App launched its newly revamped look featuring larger graphics, extra categories and the latest stories. This came as part of the 20th Anniversary celebration of The Star Online. The app features the top 16 stories on the home screen and 10 sections with 30 articles under each section.



### The Star Online Daily Alert

The Star Online debuted a new feature called The Star Online Daily Alert. It is an email news alert service that features headlines from each section and the most viewed stories from The Star Online.

# star2.com

### Star2.com premiered The Ethnicity Tag

The Star2.com premiered its first web series, The Ethnicity Tag! In the show, every one of the featured guests has a multi-ethnic background, including lineage from Indonesia, China, India, Japan, England, Scotland, Wales, Ireland, and all of them are also uniquely Malaysian.



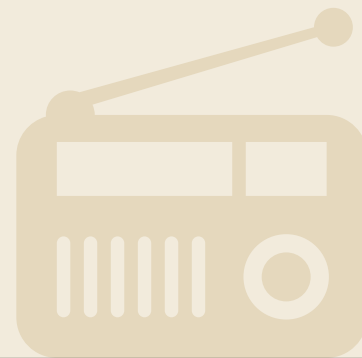
## RADIO

### Kamilah Malaysia Tour held by Star Media Radio Group

Star Media Radio Group held the Kamilah Malaysia Tour 2015 in search of loyal listeners. The public had the chance to win prizes and cash during the tour.



# Star RADIO



### 988FM launched Entrepreneurs Success Stories

988 launched its new Entrepreneurs Success Stories segment that features interviews with successful business people, describing their entrepreneurial journeys. Minister in the Prime Minister's Department Datuk Dr Wee Ka Siong, was present at the launch. Star Media Radio Group Chairman, Dato' Dr Mohd Aminuddin bin Mohd Rouse added that 988 would continue to play a part in helping to grow the SME industry by providing insights and opportunities to entrepreneurs.



# 988 友声有色



## TELEVISION

**Tastemakers 2015 Celebration Event**

Tastemakers is a Life Inspired original production that celebrates Malaysia's home-grown success stories. Currently in its third year, the theme this year is to recognise the spirit of entrepreneurial excellence embodied by the nation's leading innovators. The four Tastemakers of Malaysia 2015 are:

Alia Bastamam (Fashion Designer), Khailee Ng (Managing Partner, 500 Startups), Mac Chung Lynn (Founder and CEO, Nando's Malaysia & Singapore), Adrian Yap (Co-Founder, Freeform).

The event captured over 350 esteemed guests from the corporate world and entertainment industry gracing the red carpet.

**Savour Australia**

Life Inspired secured a top regional project with Tourism Australia. The 7-episode food travelogue sees Jason Godfrey meeting magnetic characters from renowned chefs to crocodilian as he hunts for the finest flavours and priceless hands-on experiences.

A consumer roadshow held across 3 weekends in Penang and the Klang Valley attracted thousands to attend the roadshow with food sampling, games and meet the host sessions with Jason. Three contest with prizes such as trip-for-2 to Australia were up for grabs across Astro Circle, The Star and Capital FM, attracting over 15,800 participants altogether.

**Rebranding of Life Inspired Channel**

Life Inspired TV unveiled a new look with their rebranding in June 2015.

Life Inspired TV channel invites viewers to explore a wonderful world of moments and imagery with its new visual packaging. This modern look was launched across 7 countries regionally and reinforces the channel as a world-class Asian lifestyle destination.

Through these 5 distinct aspects, audiences are inclined to take a closer look and aspire toward something greater.

Life Inspired encourages its viewers to appreciate the finer things and aspire towards finding inspiration in life. The belief that inspiration exists within one's self echoes the channel's tagline: "Inspiration Is Here. This is Life Inspired."

Moving forward, the TV channel will continue to deliver top picked lifestyle content and increase its original lifestyle content offering to cater to its Asian viewership.





## EVENTS

**The Star Education Fair 2015**

65,000 visitors thronged the halls at Kuala Lumpur Convention Centre for the fair. The exhibition featured more than 140 exhibitors. Visitors had the chance to attend talks on careers and scholarships such as "Options After SPM", "Study & Work Overseas", "The World of IT" and "Engineering" which were held throughout the day. Visitors also stand a chance to win movie tickets through fun quizzes.

**The Star Education Fair @ Penang**

The Star Education Fair 2015 in Penang attracted thousands of visitors to Subterranean Penang International Convention and Exhibition Centre. A total of 87 exhibitors took up 253 booths at the fair offering a vast array of programmes ranging from undergraduate to postgraduate, twinning, diploma, certificate, distance learning and vocational. A free personality and career test was also held for students to help determine the right careers for them.



STAR EDUCATION FAIR 2015 at SPICE in Penang



### The Star Education Fund

In 2015, The Star Education Fund offered 233 scholarships worth RM10.9 million. A total of 29 institutions offered their scholarships under the fund and over 4,200 applications were received. Since the fund's inception 22 years ago, a total of 3,432 scholarships worth more than RM101 million have been awarded to students to further their education. The scholarship recipients are able to pursue undergraduate, diploma and pre-university courses such as engineering, pharmacy, law, accounting and finance, architecture, business and management, psychology and mass communication.



**"The good thing is that there are institutions which are sensitive to the needs of the families. Many are offering additional scholarships and special incentives." – Datuk Seri Wong Chun Wai, Group Managing Director and CEO, Star Media Group Berhad**



**"This award from The Star Education Fund is a huge burden off our shoulders, with education being even more costly in the current economic situation." – Fadelah Yasin, Recipient**



**"Raffles is a great design school and we've been doing a lot of practical lessons. I'm also grateful for my family's support and the opportunity that The Star Education Fund has given me." – Shi Qin, Recipient**







## EVENTS

## Moderation For Our Nation Forum

The Star presented the Moderation For Our Nation forum at Menara Star. The fully booked forum was facilitated by StarBiz editor M. Shanmugam and featured a row of esteemed panelists such as Datuk Noor Farida Ariffin, former Malaysian ambassador to the Netherlands, author Anas Zubedy, entrepreneur and Usman Awang National Integration Award recipient, Tan Sri Michael Yeoh, as well as CEO of Asian Strategy and Leadership Institute and writer-columnist Dzof Azmi.

**“Be thankful and honest, see all problems as opportunities, treat others the way you want to be treated, embrace diversity, add value to interaction, be quick to forgive and forget, and be critical of yourself and your own community first.” – Anas Zubedy**



**“Moderation is for everyone. It’s not religious or racial or anything like that – it’s about getting along.” – Melda Malek, Guest at the forum**



## Voices of Moderation Youth Series

The first series of the campaign was held at Sunway University. The event was part of The Star’s Moderation campaign. This campaign aimed at encouraging young moderates to speak up against extremism. The event featured speakers such as CEO of Global Movement of Moderates (GMM), Datuk Saifuddin Abdullah, Chief Executive of Institute for Democracy and Economic Affairs, Wan Saiful Wan Jan, and COO of Asian Strategy and Leadership Institute, Ng Yeen Seen. The talk was also held at KDU University College with speakers such as Lyana Khairuddin, Azmi Sharom and Zainah Anwar.





"I have friends from all races and while I do believe that we have to speak up for our own rights, there is no need to turn to racist remarks. Even as a young person, I know how to practise restraint and self-censorship." – Lim Yi Jia, Student

"Instead of inciting hatred, we should encourage more compassion, tolerance, patience, love and forgiveness." – Datuk Seri Wong Chun Wai, Group Managing Director and CEO, Star Media Group Berhad



## Star Media Group collaborated with BritishIndia for We Were All Born Moderate Campaign

Star Media Group and home-grown lifestyle brand BritishIndia collaborated in the We Were All Born Moderate campaign. BritishIndia used its store windows and visual merchandising skill as part of the brand's social responsibility and commitment to Malaysia. The "We Were All Born Moderate" posters decorated the store windows of BritishIndia outlets at Suria KLCC, Pavilion KL and Mid Valley Megamall.



## EVENTS

# STAR LIVE

TOPICALLY MALAYSIAN

The first StarLIVE event for 2015 featured The 'Burn It, Trim It, Tone It' session that was led by a professional dancer and fitness instructor.



Other themes for StarLIVE includes "March with Style" in conjunction with International Women's Day. The fashion and beauty themed workshop was hosted by Fashion Editor, Dzireena Mahadzir and #TheNewBlack columnist William K.C. Kee.



Aside from that, StarLIVE was also presented by Nestle. The event included recipes and a live demonstration of how to whip up a healthy meal or snack in 15 minutes or below, titled Nestle's Farming Guide: Eat What You Grow, where it taught participants about the importance of sustainably sourcing produce and giving back to the community.



In November, StarLIVE focused on the integral role of communication between parents and their children that featured Focus On The Family Curriculum Manager Joshua Liong as the speaker in a session titled Parent - Teen Relationships: Bridging the Gaps.



## perfect livin'

"Perfect Livin' 15 Home & Lifestyle Exhibition" was held at the Putra World Trade Centre (PWTC) in Kuala Lumpur. It featured more than 1,250 booths and 500 exhibitors. Visitors also had the chance to be in the running to win 2 flight tickets to Italy. This was the first time Perfect Livin' was offering flight tickets as prizes. The second edition was then held in November.



**"Perfect Livin' is the best place to shop for home furniture as it has everything under one roof." – Mohd Yusof Othman, Guest**



More than 40,000 visitors attended the 3-day FitForLife 2015 fair held at Mid Valley Exhibition Centre in collaboration with Great Eastern Life as its event partner. This fair was held in conjunction with World Health Day and was launched by Health Minister Datuk Seri Dr S. Subramaniam. More than 70 exhibitors took up 170 booths to showcase a diverse range of fitness, health and lifestyle products and services. This year's theme "Get Fit. Live Great!" was to inspire Malaysians to lead a healthy lifestyle and adopt a holistic approach that includes physical and mental fitness, financial health and general fitness. The highlight of the fair was the Live Great Dodgeball Open 2015. Cash prizes worth over RM2,500 were up for grabs. An extension of the event was then held in Penang at the SPICE Arena. One of the fair's highlights was the inaugural FitForLife Fun Run which attracted over 3,700 people.







## EVENTS



**“The fair is an effort that we need to transform us into a sporting nation.”**  
– Deputy Foreign Minister Datuk Seri Reezal Merican Naina Merican



Star Media Group launched The Star Outstanding Business Awards (SOBA) 2015. The award showcased the best of Malaysian SME businesses in various key areas.



Approximately 15,000 participants gathered at Stadium Indera Mulia for Starwalk Ipoh 2015. Participants received goodies that include free Sunday Star newspaper. Aside from that, Mohamed Meera Sahib (M) Sdn. Bhd. sponsored 3,000 boxes of dates. The platinum sponsor for the walk was YES, with Indomie as a gold sponsor, while the silver sponsors were Sanctband, F&N, Magnum and Julie's.



### The R.AGE Food Fight

R.AGE organised The R.AGE Food Fight to uncover Malaysia's next food celebrity. R.AGE Food Fight was part of Star Media Group's initiative to promote the importance of palm oil to the nation's economy, as well as its many uses and benefits. The finale was held at Le Cordon Bleu Malaysia.

# R.AGE



### CHEER 2015 Finals

R.AGE presented the CHEER 2015 finals that was held at Sunway Pyramid Convention Centre where 39 secondary school cheerleading teams competed. Over 8,000 spectators turned up throughout the day.



### Penang Starwalk 2015

20,000 participants joined Penang Starwalk 2015 held at Penang Times Square. Property developer, S P Setia Bhd. also gave out 15,000 copies of The Star newspaper during the event.



### The Star's Children Photography Workshop

Star Media Group organised The Star's Children Photography Workshop whereby a group of children aged between 6 and 11 years old took photographs around Brickfields. The children were given the task to take photos according to the themes that were given to them. Professional photographers from Studio DL gave the young aspiring photographers some tips and techniques during the workshop. The workshop was organised in conjunction with The Star's "We Were All Born Moderate" campaign. The pictures taken can be found on Instagram with the hashtag #moderateMY.







## TRAINING



### Internal Development and Growth

In June 2015, Leaderonomics moved towards creating a culture of accountability within the organisation, strategically planning intentional cultural beliefs to drive the organisation towards our goals.



*Leaderonomics Cultural Belief statements and 2018 goals*

They launched 4 internal learning and development programmes: Women's connect groups, mentoring group, discipleship groups and a talent acceleration programme.

Offering partial scholarships to 4 selected senior staff to upskill themselves in Master programmes relevant to their field.

### Making A Difference

A big part of Leaderonomics' heartbeat is to build communities of love and to make a difference wherever they are. As such, they ran a 21 MAD Days social movement to inspire and empower individuals to make a positive change in their respective communities.

They are also equipping and empowering the next generation of young leaders as MAD Agents to actively make a difference in their schools, neighbourhoods and beyond. There are currently 50 active MAD Agents giving back to their respective communities.





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

During the year under review, Star Media Group collaborated with strategic partners on tactical campaigns as well as meaningful programmes to further reach out to our audience through our various media assets, from print to digital, broadcast media and on-ground events.

In 2015, we saw Star Media Group reinforcing its commitment towards promoting racial harmony and unity through the inaugural Star Golden Hearts Award. This awards programme recognises everyday Malaysians who perform extraordinary acts of kindness and heroism that go beyond race, culture and religion. This serves to show our commitment in fulfilling our role as a caring and responsible media group.

## 1) 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, viewership or unique visitors online) prove that we remain a reliable source of information and intelligence. We endeavor not to do anything that may compromise our integrity and reputation, and we always take a balanced approach towards every action or decision.

### Shareholders and Investors

The Group's commitment in providing both the investment community and the public a more convenient access to the Management and standing

firm on our principles of transparency, integrity and good corporate governance, is reflected through our regular communication sessions with analysts, fund managers and shareholders through quarterly result briefings, annual general meeting, discussions and meetings throughout the year. Aside from these meetings, our corporate website aims to deliver comprehensive information in compliance with the relevant guidelines, rules and regulations, enabling our stakeholders to gain a better understanding of the Group's performance.

### 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 supplies are sourced from sustainably-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.

## 2) WORKPLACE

With a staff of over 1,800 employees group-wide, human capital development has always been a priority for 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 2015, the group won Best Graduate Recruitment Programme at the Human Resources ASIA Awards 2015. 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.

### Housekeeping Campaign

Star Media Group's Occupational Safety and Health Committee conducted a two-week Housekeeping Campaign in Menara Star. During the campaign, employees were advised to reorganise, clean and keep their workplace safe. The committee spent time visiting the many departments to identify workplace dangers and advise employees to take extra precautions. Before the campaign began, the OSH members from Menara Star and impartial judges from Star Media Hub, visited all departments to snap pictures of the conditions before and after the campaign concluded. A picture comparison was

presented during the finale, with some departments showing significant changes to their workplace environment. Staric, Menara Star's library, was awarded five stars for their effort in reorganising and keeping their workplace in order and Finance department took back to their office a four-star rating. Employees were encouraged to continue to keep their work environment safe and clean and to practise the 5S – sort, straighten, scrub, standardise and systemise – in their workplaces.

### HR Open Day

For the 4th year running, the Group's HR organised HR Open Day, also known as HR4U. It serves as a one-stop centre for employees to enjoy the convenience of government services within the comforts of the workplace. It received tremendous support with more than 1,000 employees visiting the booths. Among the participating agencies were the Road Transport Department (JPJ), Selangor Zakat Board and Assunta Hospital. The staff took the opportunity to make new identity cards and renew their driving licence, while some had their vehicles inspected by Puspakom at the open-air carpark. The Group received positive feedback from both employees and participants.





Star Media Group employees taking time off from work to check on their summonses and renew driving license at the mobile counter set up by the Road Transport Department.



Employees received a free health check by Assunta Hospital which consisted of body mass index, glucose and blood pressure check. There was also breast examination for female staff.

## Long Service Award

In conjunction with the company's 44th Anniversary, a total of 261 employees were awarded the Long Service Award, of which 71 had served the company for 15 years while the rest had 25 or more years of service. Over at The Star Northern Hub in Penang, 41 employees received the 25-years service award while 6 received the 15-years award.

**"I joined right after Form Five. The company has done so well from the time I joined."**  
– Ramlan Abu Bakar, Office Helper and Messenger



**"My first pay cheque was just RM340, but I was so happy with it!"** – Wong Mei Choo, Advertisement Representative (Special Grade)



**"After 12 years, I applied to be a photographer and the bosses gave me a chance. It's a joy to be working here."**  
– Charles Mariasoosay, Photographer (Special Grade)





### Talent Development

The Group maintained its efforts in attracting talented graduates via the StarTRACK 3.0 graduate trainee programme – a revamped version of the award-winning StarTRACK 2.0 programme. Running for the first time in 2015, the candidates were put through a vigorous selection process and 6 StarTRACKers were hand-picked for the programme. They are currently undergoing a customised one-year programme which includes 6 departmental / business units rotations to gain a more holistic learning experience. Each rotation spans two months, with the objective of the StarTRACKers understanding daily operations, processes and product specialties within the Group. In addition, the trainees also undergo leadership training and are assigned live projects to determine adept trainees who will eventually be offered positions within the Group.

One of the key attributes that sets us apart is our culture which allows us to attract and retain the best employees in the industry and this has been evident by the awards we received for our development programmes. We have invested in many certification and technical programmes, besides in house programmes, in line with the Government's agenda to upskill Malaysians towards creating high-income opportunities. Moreover, these programmes develop

skills that work for both us and the employee. Our employees are our greatest assets and we continue to invest in them. This investment increases the value we can bring to our clients.

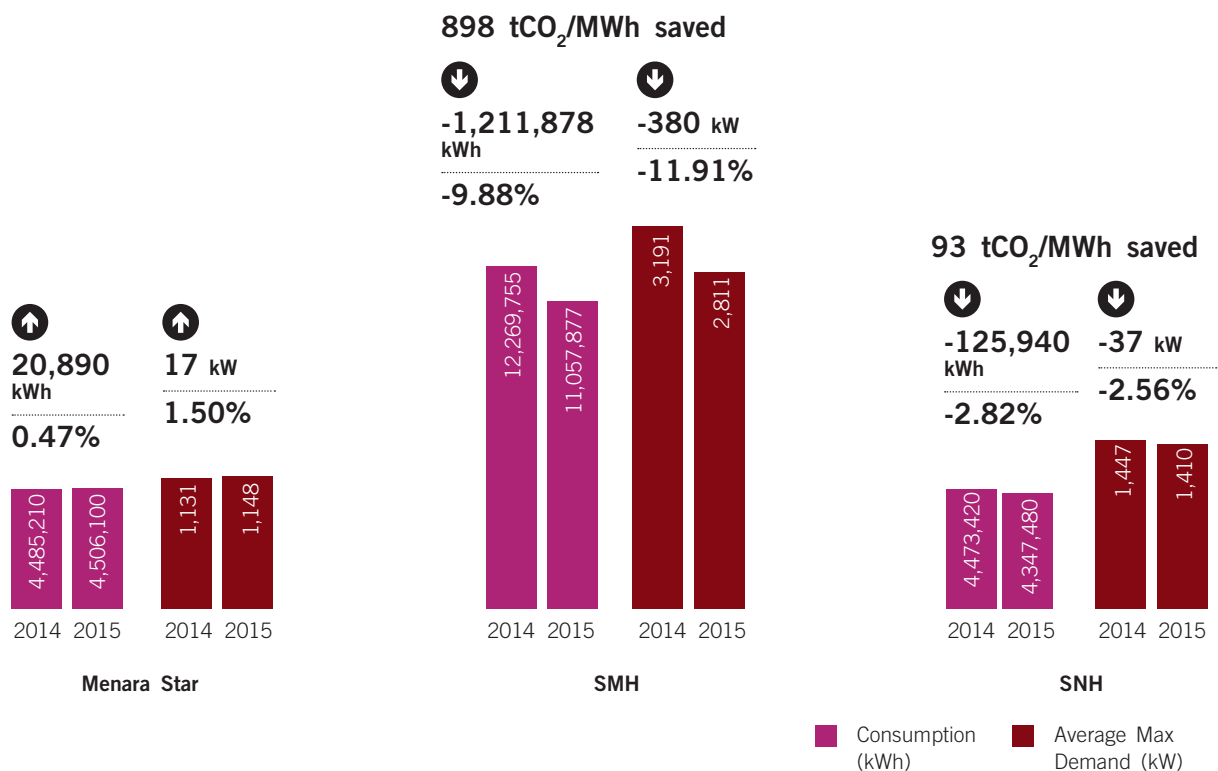
### 3) ENVIRONMENT

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.

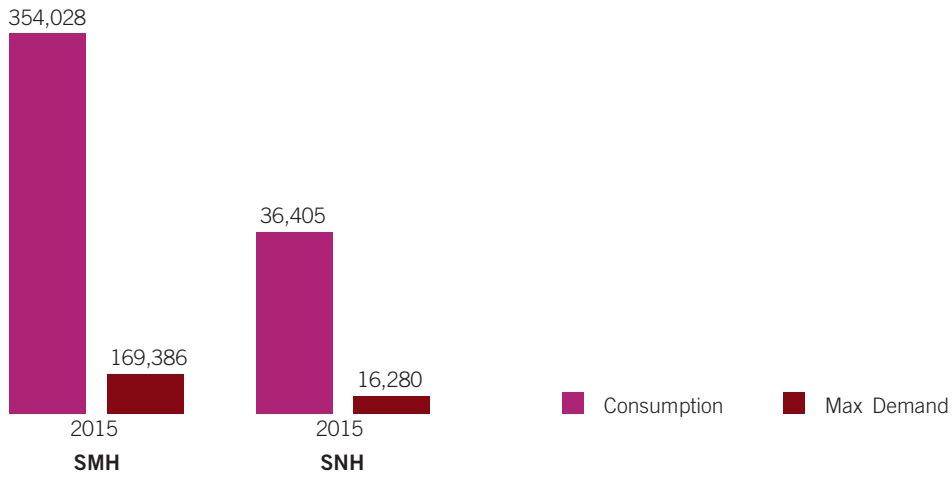
Some of the energy saving efforts implemented throughout the year includes retrofitting existing T8 fluorescent lights to energy saving lights in phases for all three locations. Despite seeing an increase in the occupancy rate in 2015, Menara Star's Energy Management Committee team progressively monitors and maintains the energy consumption. Since December 2015, the chiller plant at Star Media Hub (SMH) was upgraded to improve the chiller plant efficiency from 1.41 kW/RT to 0.61 kW/RT. It will enhance cost efficiencies by saving the Group an estimate of RM900,000 per annum (57% savings).

### Energy Utilisation Summary for 2015 vs 2014

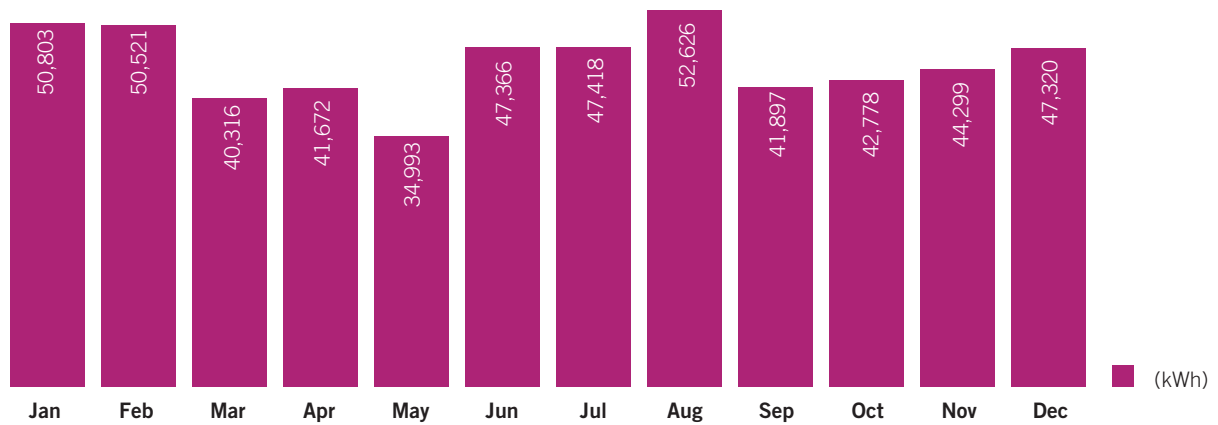
#### Summary of total consumption from January to December 2015 vs 2014



## Total Savings in RM:



## Photovoltaic Yield For 2015



## Solar yearly yield for 2015

Month	(kWh)	RM
Jan	50,803	60,009
Feb	50,521	59,675
Mar	40,316	47,621
Apr	41,672	49,223
May	34,993	41,334
Jun	47,366	55,949
Jul	47,418	56,010
Aug	52,626	62,162
Sep	41,897	49,489
Oct	42,778	50,529
Nov	44,299	52,326
Dec	47,320	55,894
<b>Total</b>	<b>542,009</b>	<b>640,221</b>

In 2015, the Group sold 542.009 MWh of solar energy to TNB and as a result generated total gross revenue of RM640,221 for the Group. On the green front, it also enabled us to reduce approximately 401 tCO<sub>2</sub>/MWh emission to the earth from the national TNB grid system.

CO<sub>2</sub> emission based on 2012 statistic from Greentech Malaysia: tCO<sub>2</sub>/MWh = 0.741

## 4) COMMUNITY

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 Malaysian 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.







# STAR FOUNDATION

"On Humanitarian Grounds"

"This is a good start for the year and we are grateful for the financial support from establishments such as the Star Foundation." – Datin Paduka Khatijah Sulieman, Rumah Amal Cheshire President

## Star Foundation

Star Foundation is the charitable arm of Star Media Group aimed at raising, receiving and administering funds for various causes as set by the Foundation charter. In 2015, the Foundation donated a total of RM1,564,000 to 30 non-profit organisations nationwide. Financial contributions were provided to assist organisations in their operating expenses, upgrading of facilities and running of existing programmes. Since it was set up in 2004, the foundation has donated RM15 million to various NGOs.



#### Star Golden Hearts Award 2015

A group of unsung heroes were honoured at the inaugural Star Golden Hearts Award. This award programme honours individuals who performed various acts of humanity and exemplified the true Malaysian spirit. Ten awards were given out to individuals or groups who went out of their way to perform extraordinary acts of kindness or heroism to help strangers from different ethnic backgrounds. A judging committee was formed to assist in selecting the nominees. Tan Sri Lee Lam Thye headed the awards judging committee.

**"Homeless people feel they do not deserve medical attention, but for me, they should at the very least be given basic treatment."**  
– Dr S. Madhusudhan, Recipient

**"Robbi and Joseph symbolise what we are – that no sacrifice is too great to protect the people we're responsible for."** – Richard Soibi (Pemangkina President), Recipient



#### Movember Challenge

StarMetro Journalists managed to raise RM16,000 in pledges to help the National Cancer Society Malaysia. The men of StarMetro decided to take it upon themselves to help promote awareness on male-related cancers, such as prostate and testicular.

Aside from that, four journalists took on the Movember Beard Challenge to see who could grow the best facial hair in 30 days. The results and the winner are captured in the Movember Beard Challenge video on [www.thestartv.com](http://www.thestartv.com).

**"Awareness and education on male-related cancers are not highlighted enough and it is encouraging to know that events like this help to increase understanding of the issue."** – Randeep Singh, Journalist



# FINANCIAL STATEMENTS

## TABLE OF CONTENTS

---

88	Directors' Report	98	Consolidated Statement of Changes in Equity
92	Statement by Directors	100	Statement of Changes in Equity
92	Statutory Declaration	101	Statements of Cash Flows
93	Independent Auditors' Report	103	Notes to the Financial Statements
95	Statements of Financial Position		
97	Statements of Profit or Loss and Other Comprehensive Income		



# 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 2015.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are 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.

## CHANGE OF NAME

On 20 May 2015, the Company changed its name from Star Publications (Malaysia) Berhad to Star Media Group Berhad.

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	130,609	126,090
Attributable to:		
Owners of the parent	132,956	126,090
Non-controlling interests	(2,347)	-
	130,609	126,090

## DIVIDENDS

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

	Company RM'000
In respect of the financial year ended 31 December 2014:	
Second interim single tier dividend of 6.0 sen per ordinary share and special tax exempt dividend of 3.0 sen per ordinary share, paid on 17 April 2015	66,416
In respect of the financial year ended 31 December 2015:	
First interim single tier dividend of 9.0 sen per ordinary share, paid on 16 October 2015	66,416
	132,832

Subsequent to the financial year, on 26 February 2016, the Directors declared a second interim single tier dividend of 9.0 sen per ordinary share, which amounted to RM66,416,000 in respect of financial year ended 31 December 2015. The dividend is payable on 18 April 2016 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2016.

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, other than those disclosed in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary 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 proposal to repurchase up to 10% of its own shares ("Share Buy-Back") of the Company. 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 for office since the date of the last report are:

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan  
Tan Sri Dato' Sri IR Kuan Peng Ching @ Kuan Peng Soon  
Datuk Seri Wong Chun Wai  
Mr Lee Siang Korn @ Lee Siang Chin  
Datin Linda Ngiam Pick Ngoh  
Dato' Dr Mohd Aminuddin bin Mohd Rouse  
Dato' Yip Kum Fook  
Mr Lew Weng Ho  
Tan Sri Datuk Seri Kamal Mohamed Hashim bin Che Din (demised on 2 February 2016)

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2015 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:

Shares in the Company	Number of ordinary shares of RM1.00 each			
	Balance as at 1.1.2015	Bought	Sold	Balance as at 31.12.2015
<b>Direct interests</b>				
Datin Linda Ngiam Pick Ngoh	440,800	-	(166,800)	274,000
Tan Sri Datuk Seri Kamal Mohamed Hashim	100,000	-	-	100,000
Datuk Seri Wong Chun Wai	20,000	-	-	20,000
<b>Indirect interests</b>				
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 of the Company and of its related corporations during the financial year.

**DIRECTORS' BENEFITS**

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

- (a) remuneration received by certain Directors as Directors of the subsidiaries; and
- (b) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which these Directors have substantial financial interests as disclosed in Note 35 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 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 written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)****(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONT'D)**

(d) In the opinion of the Directors:

- (i) there has not arisen any item, transaction or event of a material and unusual nature 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 and of the Company to meet their obligations as and when they fall due.

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

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

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

The significant events during the financial year are disclosed in Note 42 to the financial statements.

**AUDITORS**

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

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

.....  
**Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan**  
Director

.....  
**Datuk Seri Wong Chun Wai**  
Director

Petaling Jaya  
21 March 2016

# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 95 to 205 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 2015 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 43 to the financial statements on page 206 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  
21 March 2016

# STATUTORY DECLARATION

I, Ragesh Rajendran, being the Officer primarily responsible for the financial management of Star Media Group Berhad (formerly known as Star Publications (Malaysia) Berhad), do solemnly and sincerely declare that the financial statements set out on pages 95 to 206 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 )  
21 March 2016 )

.....  
**Ragesh Rajendran**

Before me:

**S.AROKIADASS**  
(No. B460)  
Commissioner for Oaths

# AUDITORS' REPORT

TO THE MEMBERS OF STAR MEDIA GROUP BERHAD

(Formerly known as Star Publications (Malaysia) Berhad)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Star Media Group Berhad (formerly known as Star Publications (Malaysia) Berhad), which comprise the statements of financial position as at 31 December 2015 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 95 to 205.

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 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.



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STAR MEDIA GROUP BERHAD  
(Formerly known as Star Publications (Malaysia) Berhad) (CONT'D)

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 10 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 of the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## OTHER MATTERS

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

**BDO**  
AF: 0206  
Chartered Accountants

**Tang Seng Choon**  
2011/12/17 (J)  
Chartered Accountant

Kuala Lumpur  
21 March 2016

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7	<b>500,350</b>	476,621	<b>440,616</b>	458,004
Investment properties	8	<b>105,668</b>	53,730	<b>105,668</b>	53,730
Intangible assets	9	<b>136,795</b>	107,478	<b>1,111</b>	2,055
Investments in subsidiaries	10	-	-	<b>147,682</b>	222,588
Investments in associates	11	<b>1,160</b>	-	-	-
Investment in a joint venture	12	-	143	-	509
Other investments	13	<b>44,686</b>	42,104	<b>41,994</b>	42,104
Other receivables	14	<b>2,990</b>	88,366	-	85,377
Deferred tax assets	15	<b>324</b>	621	-	-
<b>Total non-current assets</b>		<b>791,973</b>	769,063	<b>737,071</b>	864,367
<b>Current assets</b>					
Inventories	16	<b>49,899</b>	97,363	<b>49,261</b>	96,460
Other investment	13	-	5,000	-	5,000
Derivative assets	17	<b>164</b>	-	<b>164</b>	-
Trade and other receivables	14	<b>243,128</b>	175,730	<b>171,092</b>	115,582
Current tax assets		<b>4,045</b>	1,802	-	-
Cash and bank balances	18	<b>632,872</b>	621,354	<b>495,517</b>	462,679
<b>Total current assets</b>		<b>930,108</b>	901,249	<b>716,034</b>	679,721
<b>TOTAL ASSETS</b>		<b>1,722,081</b>	1,670,312	<b>1,453,105</b>	1,544,088

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONT'D)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	19	738,564	738,564	738,564	738,564
Treasury shares	19	(1,633)	(1,633)	(1,633)	(1,633)
Reserves	20	408,344	405,589	361,513	368,255
		<b>1,145,275</b>	1,142,520	<b>1,098,444</b>	1,105,186
Non-controlling interests		61,191	33,807	-	-
<b>TOTAL EQUITY</b>		<b>1,206,466</b>	1,176,327	<b>1,098,444</b>	1,105,186
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Medium term notes	21	100,000	200,000	100,000	200,000
Borrowings	22	2,997	4,172	-	-
Other payables	24	-	3,395	-	-
Deferred tax liabilities	15	54,493	62,433	51,170	62,482
<b>Total non-current liabilities</b>		<b>157,490</b>	270,000	<b>151,170</b>	262,482
<b>Current liabilities</b>					
Trade and other payables	24	180,145	154,442	95,714	173,037
Medium term notes	21	100,000	-	100,000	-
Borrowings	22	69,861	65,161	-	1
Current tax liabilities		8,119	4,382	7,777	3,382
<b>Total current liabilities</b>		<b>358,125</b>	223,985	<b>203,491</b>	176,420
<b>TOTAL LIABILITIES</b>		<b>515,615</b>	493,985	<b>354,661</b>	438,902
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,722,081</b>	1,670,312	<b>1,453,105</b>	1,544,088



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	25	<b>1,019,020</b>	1,013,737	<b>636,328</b>	695,782
Cost of sales and services	26	<b>(472,845)</b>	(430,790)	<b>(222,677)</b>	(246,625)
Gross profit		<b>546,175</b>	582,947	<b>413,651</b>	449,157
Other income		<b>44,530</b>	33,774	<b>60,369</b>	31,630
Distribution costs		<b>(148,700)</b>	(173,999)	<b>(141,023)</b>	(162,382)
Administrative and other expenses		<b>(260,420)</b>	(278,575)	<b>(163,356)</b>	(200,497)
Finance costs	27	<b>(11,557)</b>	(10,143)	<b>(9,300)</b>	(11,921)
		<b>170,028</b>	154,004	<b>160,341</b>	105,987
Share of profit/(loss) of associates, net of tax	11	<b>45</b>	(583)	-	-
Profit before tax	28	<b>170,073</b>	153,421	<b>160,341</b>	105,987
Tax expense	29	<b>(39,464)</b>	(41,388)	<b>(34,251)</b>	(34,933)
Profit for the financial year		<b>130,609</b>	112,033	<b>126,090</b>	71,054
<b>Other comprehensive income</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		<b>12,963</b>	4,465	-	-
Total comprehensive income, net of tax		<b>143,572</b>	116,498	<b>126,090</b>	71,054
Profit attributable to:					
Owners of the parent		<b>132,956</b>	111,416	<b>126,090</b>	71,054
Non-controlling interests		<b>(2,347)</b>	617	-	-
		<b>130,609</b>	112,033	<b>126,090</b>	71,054
Total comprehensive income attributable to:					
Owners of the parent		<b>141,108</b>	114,429	<b>126,090</b>	71,054
Non-controlling interests		<b>2,464</b>	2,069	-	-
		<b>143,572</b>	116,498	<b>126,090</b>	71,054
Earnings per ordinary share attributable to equity holders of the Company (sen):					
- Basic and diluted	30	<b>18.02</b>	15.10		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Group	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign exchange translation reserve	Share option reserve	Retained earnings	Total attributable to owners of the parent		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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
<b>Transactions with owners</b>								
Additional investment in a subsidiary	-	-	-	-	(1,399)	(1,399)	(101)	(1,500)
Disposal of a subsidiary (Note 34)	-	-	-	-	-	-	(38)	(38)
Transfer of share option reserve	-	-	-	(377)	377	-	-	-
Dividends paid (Note 31)	-	-	-	-	(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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

Group	Attributable to equity holders of the Company							Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	
Balance as at 1 January 2015	738,564	(1,633)	24,107	817	380,665	1,142,520	33,807	1,176,327
Profit for the financial year	-	-	-	-	132,956	132,956	(2,347)	130,609
Foreign currency translations, net of tax	-	-	7,505	647	-	8,152	4,811	12,963
Total comprehensive income	-	-	7,505	647	132,956	141,108	2,464	143,572
<b>Transactions with owners</b>								
Additional investments in subsidiaries	-	-	-	-	(5,280)	(5,280)	408	(4,872)
Additional non-controlling interests arising from rights issue by a quoted indirect subsidiary	-	-	-	-	(241)	(241)	25,428	25,187
Transfer of share option reserve	-	-	-	(938)	938	-	-	-
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(916)	(916)
Dividends paid (Note 31)	-	-	-	-	(132,832)	(132,832)	-	(132,832)
Total transactions with owners	-	-	-	(938)	(137,415)	(138,353)	24,920	(113,433)
<b>Balance as at 31 December 2015</b>	<b>738,564</b>	<b>(1,633)</b>	<b>31,612</b>	<b>526</b>	<b>376,206</b>	<b>1,145,275</b>	<b>61,191</b>	<b>1,206,466</b>

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



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 January 2014		738,564	(1,633)	430,033	1,166,964
Profit for the financial year		-	-	71,054	71,054
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	71,054	71,054
<b>Transactions with owners</b>					
Dividends paid	31	-	-	(132,832)	(132,832)
Total transactions with owners		-	-	(132,832)	(132,832)
Balance as at 31 December 2014		<b>738,564</b>	<b>(1,633)</b>	<b>368,255</b>	<b>1,105,186</b>
Profit for the financial year		-	-	126,090	126,090
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	126,090	126,090
<b>Transactions with owners</b>					
Dividends paid	31	-	-	(132,832)	(132,832)
Total transactions with owners		-	-	(132,832)	(132,832)
<b>Balance as at 31 December 2015</b>		<b>738,564</b>	<b>(1,633)</b>	<b>361,513</b>	<b>1,098,444</b>

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		<b>170,073</b>	153,421	<b>160,341</b>	105,987
Adjustments for:					
Accretion of contingent considerations		<b>225</b>	606	-	-
Accretion of non-current other receivables		<b>(3,150)</b>	(4,200)	<b>(3,150)</b>	(4,200)
Amortisation of intangible assets		<b>7,713</b>	12,197	<b>1,201</b>	2,554
Bad debts written off		<b>1</b>	14	-	9,695
Intangible assets written off	9(d)	-	4	-	-
Depreciation of:					
- investment properties	8	<b>246</b>	246	<b>246</b>	246
- property, plant and equipment	7	<b>43,377</b>	43,549	<b>35,766</b>	36,127
Fair value (gain)/loss on:					
- derivative assets		<b>(164)</b>	-	<b>(164)</b>	-
- other investments		<b>832</b>	(1,051)	<b>828</b>	(1,051)
Gain on dissolution of a joint venture	12(iii)	<b>(1,025)</b>	-	<b>(659)</b>	-
Impairment losses on:					
- amounts owing by subsidiaries		-	-	<b>12,997</b>	-
- equity loan	10	-	-	<b>6,551</b>	-
- intangible assets		-	19,062	-	2,297
- investments in associates	11	-	3,517	-	-
- investments in subsidiaries	10	-	-	<b>5,072</b>	44,124
- other receivables		<b>6</b>	3,450	<b>6</b>	3,450
- trade receivables	14(f)	<b>1,775</b>	1,192	<b>686</b>	484
Interest expense	27	<b>11,557</b>	10,143	<b>9,300</b>	11,921
Interest income		<b>(5,644)</b>	(6,761)	<b>(6,221)</b>	(6,609)
Investment income		<b>(15,058)</b>	(11,177)	<b>(15,006)</b>	(11,177)
Loss/(Gain) on disposal of:					
- investment in a subsidiary	34	-	2,537	-	1,366
- other investments		<b>176</b>	(81)	<b>176</b>	(81)
- property, plant and equipment		<b>(272)</b>	217	<b>(277)</b>	205
Property, plant and equipment written off	7	<b>416</b>	191	<b>115</b>	32
Reversal of impairment losses on:					
- amount owing by a subsidiary		-	-	<b>(9,600)</b>	-
- trade receivables	14(f)	<b>(1,658)</b>	(668)	<b>(242)</b>	(46)
Share of (profit)/losses of associates, net of tax	11	<b>(45)</b>	583	-	-
Unrealised loss/(gain) on foreign exchange		<b>1,142</b>	512	<b>3,285</b>	(1,976)
Waiver of interest from a subsidiary		-	-	<b>(11,347)</b>	-
Operating profit before working capital changes		<b>210,523</b>	227,503	<b>189,904</b>	193,348
Changes in working capital:					
Inventories		<b>47,593</b>	19,813	<b>47,199</b>	19,996
Trade and other receivables		<b>(12,508)</b>	32,433	<b>4,917</b>	18,154
Trade and other payables		<b>6,961</b>	(9,986)	<b>(1,914)</b>	(6,922)
Cash generated from operations		<b>252,569</b>	269,763	<b>240,106</b>	224,576
Tax paid		<b>(49,357)</b>	(48,925)	<b>(41,168)</b>	(42,008)
Tax refunded		<b>846</b>	12	-	-
<b>Net cash from operating activities</b>		<b>204,058</b>	220,850	<b>198,938</b>	182,568

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisitions of subsidiaries, net of cash acquired	33(a)	(30,865)	-	-	-
Acquisitions of additional interests in:					
- subsidiaries		(4,872)	(1,500)	(4,872)	-
- associates		-	(1,150)	-	-
Advances to subsidiaries		-	-	(25,746)	(10,249)
Deposits placed with licensed banks with original maturity of more than three (3) months		(19,439)	(16,927)	(9,904)	(23,000)
Interest received		4,031	6,622	4,610	6,460
Investment in an associate		(1,111)	-	-	-
Investment income received		15,058	11,177	15,006	11,177
Other investment redeemed upon maturity		5,000	8,361	5,000	8,361
Proceeds from disposals of:					
- a subsidiary	34	-	125	-	125
- other investment		74	1,723	74	1,723
- property, plant and equipment		848	1,309	682	1,067
Proceeds from dissolution of a joint venture	12	1,168	-	1,168	-
Purchases of:					
- intangible assets		(5,128)	(5,934)	(257)	(1,081)
- other investments		(3,481)	(5,417)	(786)	(5,417)
- property, plant and equipment	7(b)	(34,875)	(13,937)	(18,846)	(8,968)
<b>Net cash used in investing activities</b>		<b>(73,592)</b>	<b>(15,548)</b>	<b>(33,871)</b>	<b>(19,802)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid	31	(132,832)	(132,832)	(132,832)	(132,832)
Dividends paid to non-controlling interests of a subsidiary		(916)	-	-	-
Drawdowns of bank loans		41,674	11,803	-	-
Interest paid		(11,557)	(10,143)	(9,300)	(9,300)
Proceeds from issue of shares pursuant to rights issue of a quoted indirect subsidiary, which were subscribed by its non-controlling interests		321	-	-	-
Repayments of:					
- bank loans		(47,764)	(8,511)	-	-
- hire purchase and finance lease liabilities		(1,355)	(1,200)	(1)	(1)
<b>Net cash used in financing activities</b>		<b>(152,429)</b>	<b>(140,883)</b>	<b>(142,133)</b>	<b>(142,133)</b>
Net (decrease)/increase in cash and cash equivalents		(21,963)	64,419	22,934	20,633
Effects of exchange rate changes					
on cash and cash equivalents		14,042	2,040	-	-
Cash and cash equivalents at beginning of financial year		593,048	526,589	436,679	416,046
<b>Cash and cash equivalents at end of financial year</b>	18(d)	<b>585,127</b>	<b>593,048</b>	<b>459,613</b>	<b>436,679</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

## 1. CORPORATE INFORMATION

Star Media Group Berhad (formerly known as 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 2015 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. 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 21 March 2016.

## 2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the publication, printing and distribution of newspapers and magazines. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 95 to 205 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 43 to the financial statements set out on page 206 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (“MIA Guidance”) and the directive of Bursa Malaysia Securities Berhad.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of accounting

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 Basis of consolidation**

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

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

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

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, 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.

## 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 re-measured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 Business combinations (cont'd)**

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by 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 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 any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation period and annual rate are as follows:

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

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

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

### 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 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 the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

#### (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 interest in the land element and the buildings element of the lease at the inception of the lease.

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.6 Investment properties**

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties 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, less any accumulated depreciation and any accumulated impairment losses.

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 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 investment properties 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 investment properties are acquired, if applicable.

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

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation period 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 are 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 less impairment losses. 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.7 Investments (cont'd)

#### (a) Subsidiaries (cont'd)

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.

#### *Equity loan*

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

#### (b) Associates

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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.7 Investments (cont'd)****(b) Associates (cont'd)**

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.

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 profit or loss.

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

**(c) Joint arrangements**

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

A joint arrangement is either a joint operation or a joint venture. The Group had determined that its joint operation was joint venture (Note 6.2(g)).

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 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*.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.7 Investments (cont'd)

#### (c) Joint arrangements (cont'd)

##### Joint venture (cont'd)

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

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

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

### 4.8 Intangible assets

#### (a) Goodwill

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

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could 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 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 share of the associate's profit or loss by the Group in the period in which the investment is acquired.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.8 Intangible assets (cont'd)****(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 research and development is not met.

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

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and are assessed for any indication that the asset could 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.

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, which is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

***Radio licenses***

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

***Television programme rights***

Television programme 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 programme rights over their estimated useful lives of one (1) to five (5) years.

***Computer software***

Computer software that does not form an integral part of the related hardware is treated as intangible asset with finite life and is amortised over its estimated useful life of three (3) to five (5) years.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 Intangible assets (cont'd)

#### (b) Other intangible assets (cont'd)

##### *Film rights*

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

The amortisation rates are as follows:

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

##### *Internet portal*

Internet portal acquired has finite useful life and is 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 its estimated useful life of four (4) years.

##### *Exhibition license*

Exhibition license acquired has finite useful life and is 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 exhibition license over its estimated useful life of ten (10) years, which is based on the period of the license granted.

### 4.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associates and a joint venture), 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 is tested annually for impairment or more frequently if events or changes in circumstances indicate that goodwill 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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.9 Impairment of non-financial assets (cont'd)**

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.

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.

**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 Financial instruments**

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 Financial instruments (cont'd)

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

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. 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, transactions costs are directly attributable to the acquisition or issuance of the financial instrument.

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

#### (a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

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

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

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

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

##### (ii) Held-to-maturity investments

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

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

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.12 Financial instruments (cont'd)****(a) Financial assets (cont'd)****(iii) Loans and receivables**

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

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

**(iv) Available-for-sale financial assets**

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

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

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 Financial instruments (cont'd)

#### (b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

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

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

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

##### (ii) Other financial liabilities

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

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

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

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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.12 Financial instruments (cont'd)****(c) Equity**

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

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

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 amounts 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 and subsequently. It shall not be revalued for subsequent 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 Companies Act, 1965 in Malaysia.

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.

**4.13 Impairment of financial assets**

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

*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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.13 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 amounts 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.

### 4.14 Borrowing costs

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 4.15 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 foreign subsidiaries, associates or a joint venture on distributions to the Group and the Company, and real property gains taxes payable on disposal of properties.

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

#### (a) Current tax

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

#### (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.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.15 Income taxes (cont'd)****(b) Deferred tax (cont'd)**

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.

**4.16 Provisions**

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

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

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

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.17 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 contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

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

### 4.18 Employee benefits

#### (a) Short term employee benefits

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

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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

#### (b) Defined contribution plans

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

#### (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.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.18 Employee benefits (cont'd)****(c) Share-based payments (cont'd)**

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

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

**(d) Termination benefits**

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

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

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

- (i) 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.
- (ii) 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.

**4.19 Foreign currencies****(a) Functional and presentation currency**

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.19 Foreign currencies (cont'd)

#### (b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each 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 non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

#### (c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statements of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed 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 foreign operations are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

### 4.20 Revenue recognition

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

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group 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 goods and service tax).

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customers and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and services and acceptance by customers.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.20 Revenue recognition (cont'd)****(b) Services**

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

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

**(c) Projects**

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

When it is probable that total contract costs 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.

**(d) Interest income**

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

**(e) Dividend income**

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

**(f) Rental income**

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

**(g) Commission income**

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.21 Operating segments

Operating segments are defined as components of the Group that:

- (a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

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

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

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (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 percent (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 percent (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.

### 4.22 Earnings per share

#### (a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

#### (b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.23 Fair value measurements**

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

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

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

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

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

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

**5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs****5.1 New MFRSs adopted during the financial year**

The Group and the 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 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2010 - 2012 Cycle</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2011 - 2013 Cycle</i>	1 July 2014

There is no material effect upon the adoption of these Amendments during the financial year.

## 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 2016

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

The Group is in the process of assessing the impact of implementing these Amendments and Standards, since the effects would only be observable for the 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.

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

**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****6.2 Critical judgements made in applying accounting policies (cont'd)****(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 has determined that it retains all the significant risks and rewards of ownership of these properties, which are leased out as operating leases due to the immateriality of the lease periods out of the economic life of the investment properties of fifty (50) years.

**(d) Contingent liabilities**

The determination and treatment of contingent liabilities is based on the management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

**(e) Classification of non-current bank borrowings**

Term loan agreements entered into by the Group include repayment on demand clauses 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 period.

**(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.

**(g) Classification of joint arrangements**

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

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

Upon consideration of these factors, the Group has determined that its joint arrangement structured through a separate vehicle provided rights to the net assets and was therefore, classified as a joint venture.

## 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 each 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) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the useful lives of the assets. Management estimates that the useful lives of these assets except for long term leasehold land to be two (2) years to fifty (50) years. The long term leasehold land is depreciated on a straight-line basis over the lease term. These are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised.

#### (b) 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 are 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 is 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 weighted average cost of capital of the Group 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.

The assumptions used are disclosed in Note 9 (a) to the financial statements.

#### (c) Amortisation of intangible assets

The cost of intangible assets is amortised on a straight-line basis over the useful lives of the assets. Management estimates that the useful lives of these assets to be one (1) year to ten (10) years, which are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these intangible assets, and therefore future amortisation charges could be revised.



**6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)****6.3 Key sources of estimation uncertainty (cont'd)****(d) Impairment of investments in subsidiaries**

Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of its fair value less cost to sell and its value in use of the respective subsidiaries.

Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

**(e) Deferred tax assets**

Deferred tax assets are recognised for all 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 tax losses, capital allowances and other deductible temporary differences 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.

**(f) 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.

**(g) 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 24 to the financial statements.

**(h) Income taxes**

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises tax liabilities based on estimates of whether additional taxes would be due. 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.

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

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

#### (i) Fair value 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 40 to the financial statements.

#### (j) Fair value measurement

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 these elements in the financial statements at fair value of:

- (i) Derivative financial instruments, Note 17 to the financial statements; and
- (ii) Financial instruments, Note 39 to the financial statements.

## 7. PROPERTY, PLANT AND EQUIPMENT

Group 2015	Freehold land RM'000	Freehold buildings RM'000	Long term 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
<b>Cost</b>									
At 1 January	46,447	127,096	4,801	21,877	638,301	149,477	16,264	20	1,004,283
Additions	-	-	-	89	1,824	5,511	1,519	26,151	35,094
Acquisition of a subsidiary (Note 33(a))	-	-	-	-	-	-	32,716	-	32,716
Disposals	-	-	-	-	-	(1,898)	-	-	(1,898)
Written off	-	-	-	-	(2,872)	(5,302)	(946)	-	(9,120)
Exchange adjustments	-	-	-	-	40	2,203	2,426	(126)	4,543
<b>At 31 December</b>	<b>46,447</b>	<b>127,096</b>	<b>4,801</b>	<b>21,966</b>	<b>637,293</b>	<b>149,991</b>	<b>51,979</b>	<b>26,045</b>	<b>1,065,618</b>
<b>Accumulated depreciation</b>									
At 1 January	-	32,359	1,286	5,788	347,110	127,449	11,845	-	525,837
Charge for the financial year	-	2,541	53	449	29,504	8,725	2,105	-	43,377
Disposals	-	-	-	-	-	(1,322)	-	-	(1,322)
Written off	-	-	-	-	(2,619)	(5,293)	(792)	-	(8,704)
Exchange adjustments	-	-	-	-	33	1,951	2,127	-	4,111
<b>At 31 December</b>	<b>-</b>	<b>34,900</b>	<b>1,339</b>	<b>6,237</b>	<b>374,028</b>	<b>131,510</b>	<b>15,285</b>	<b>-</b>	<b>563,299</b>
<b>Accumulated impairment</b>									
At 1 January	-	-	-	-	929	6	890	-	1,825
Exchange adjustments	-	-	-	-	7	1	136	-	144
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>936</b>	<b>7</b>	<b>1,026</b>	<b>-</b>	<b>1,969</b>
<b>Carrying amount</b>									
<b>At 31 December</b>	<b>46,447</b>	<b>92,196</b>	<b>3,462</b>	<b>15,729</b>	<b>262,329</b>	<b>18,474</b>	<b>35,668</b>	<b>26,045</b>	<b>500,350</b>

31 DECEMBER 2015 (CONT'D)

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

Group 2014	Freehold land RM'000	Freehold buildings RM'000	Long term 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
<b>Cost</b>									
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)
Written off	-	-	-	-	(713)	(1,698)	(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
<b>Accumulated depreciation</b>									
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)
Written 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
<b>Accumulated impairment</b>									
At 1 January	-	-	-	-	928	6	873	-	1,807
Exchange adjustments	-	-	-	-	1	-	17	-	18
At 31 December	-	-	-	-	929	6	890	-	1,825
<b>Carrying amount</b>									
At 31 December	46,447	94,737	3,515	16,089	290,262	22,022	3,529	20	476,621



31 DECEMBER 2015 (CONT'D)

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

Company 2015	Freehold land RM'000	Freehold buildings RM'000	Long term 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
<b>Cost</b>								
At 1 January	46,447	127,096	4,801	21,877	608,694	114,320	20	923,255
Additions	-	-	-	89	1,115	2,755	14,887	18,846
Disposals	-	-	-	-	-	(1,415)	-	(1,415)
Control transferred in (Note 35)	-	-	-	-	-	52	-	52
Written off	-	-	-	-	(1,375)	(4,750)	-	(6,125)
<b>At 31 December</b>	<b>46,447</b>	<b>127,096</b>	<b>4,801</b>	<b>21,966</b>	<b>608,434</b>	<b>110,962</b>	<b>14,907</b>	<b>934,613</b>
<b>Accumulated depreciation</b>								
At 1 January	-	32,359	1,286	5,788	326,219	99,599	-	465,251
Charge for the financial year	-	2,541	53	449	27,640	5,083	-	35,766
Disposals	-	-	-	-	-	(1,010)	-	(1,010)
Written off	-	-	-	-	(1,323)	(4,687)	-	(6,010)
<b>At 31 December</b>	<b>-</b>	<b>34,900</b>	<b>1,339</b>	<b>6,237</b>	<b>352,536</b>	<b>98,985</b>	<b>-</b>	<b>493,997</b>
<b>Carrying amount</b>								
<b>At 31 December</b>	<b>46,447</b>	<b>92,196</b>	<b>3,462</b>	<b>15,729</b>	<b>255,898</b>	<b>11,977</b>	<b>14,907</b>	<b>440,616</b>

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

Company 2014	Freehold land RM'000	Freehold buildings RM'000	Long term 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
<b>Cost</b>								
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)
Control transferred out	-	-	-	-	-	(11)	-	(11)
Control transferred in (Note 35)	-	-	-	-	-	28	-	28
Written off	-	-	-	-	(82)	(1,024)	-	(1,106)
At 31 December	46,447	127,096	4,801	21,877	608,694	114,320	20	923,255
<b>Accumulated depreciation</b>								
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)
Control transferred out	-	-	-	-	-	(9)	-	(9)
Written off	-	-	-	-	(82)	(992)	-	(1,074)
At 31 December	-	32,359	1,286	5,788	326,219	99,599	-	465,251
<b>Carrying amount</b>								
At 31 December	46,447	94,737	3,515	16,089	282,475	14,721	20	458,004

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

- (a) The titles of freehold buildings of the Group and of the Company with carrying amount of RM39,145,000 (2014: RM41,060,000) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Purchase of property, plant and equipment	<b>35,094</b>	14,469	<b>18,846</b>	8,968
Financed by hire purchase and finance lease arrangements	<b>(219)</b>	(532)	-	-
Cash payments on purchase of property, plant and equipment	<b>34,875</b>	13,937	<b>18,846</b>	8,968

- (c) The net carrying amounts of the property, plant and equipment of the Group and of the Company under hire purchase or finance lease at the end of the reporting period were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Plant and machinery	<b>639</b>	923	-	2
Furniture, fittings and equipment, renovations and motor vehicles	<b>1,380</b>	1,262	-	-
	<b>2,019</b>	2,185	-	2

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

**8. INVESTMENT PROPERTIES**

	Group and Company	
	2015 RM'000	2014 RM'000
<b>Cost</b>		
Balance as at 1 January/31 December	<b>9,852</b>	9,852
<b>Accumulated depreciation</b>		
Balance as at 1 January	<b>(2,095)</b>	(1,849)
Depreciation charge for the financial year	<b>(246)</b>	(246)
Balance as at 31 December	<b>(2,341)</b>	(2,095)
	<b>7,511</b>	7,757

## 8. INVESTMENT PROPERTIES (CONT'D)

	Group and Company 2015 RM'000	2014 RM'000
<b>Investment property under construction</b>		
<b>Cost</b>		
Balance as at 1 January	45,973	-
Additions	52,184	45,973
Balance as at 31 December	98,157	45,973
<b>Carrying amount</b>	<b>105,668</b>	<b>53,730</b>

- (a) Investment properties of the Group and of the Company comprise freehold buildings and leasehold building.
- (b) In the previous financial year, title of a freehold building of the Group and the Company with a carrying amount of RM2,811,000 had yet to be issued by the relevant authority. The said title was obtained by the Group and the Company during the financial year ended 31 December 2015.
- (c) The fair value of investment properties excluding the investment property under construction is RM19,750,000 (2014: RM23,450,000). The fair value is determined by the Directors based on market values for similar properties in the same vicinity obtained from property agencies.
- (d) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

	Group and Company 2015 RM'000	2014 RM'000
Rental income	714	581
Direct operating expenses incurred on:		
- income generating investment properties	134	122
- non-income generating investment properties	5	5

## 9. INTANGIBLE ASSETS

		Group 2015 RM'000	2014 RM'000	Company 2015 RM'000	2014 RM'000
Goodwill on consolidation	a	106,850	97,443	-	-
Radio licences	b	-	-	-	-
Television programmes rights	c	6,142	5,656	-	-
Computer software	d	1,799	2,868	1,111	2,055
Film rights	e	-	-	-	-
Internet portal	f	907	1,511	-	-
Exhibition license	g	21,097	-	-	-
		<b>136,795</b>	<b>107,478</b>	<b>1,111</b>	<b>2,055</b>



## 9. INTANGIBLE ASSETS (CONT'D)

## (a) Goodwill on consolidation

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

	Group 2015 RM'000	2014 RM'000
<b>Cost</b>		
Balance as at 1 January		
- Radio broadcasting - CGU 1	21,932	21,932
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	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
	<b>156,383</b>	158,850
Acquisition of a subsidiary		
- Exhibition services (Singapore subsidiaries) - CGU 4 (Note 33(a))	8,757	-
	<b>8,757</b>	-
Disposal of a subsidiary		
- Chinese mass media - CGU 6 (Note 34)	-	(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	58,940	50,183
- Television channel - CGU 5	24,355	24,355
- Chinese mass media - CGU 6	-	-
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	<b>165,140</b>	156,383
Exchange differences	3,198	2,447
	<b>168,338</b>	158,830

## 9. INTANGIBLE ASSETS (CONT'D)

### (a) Goodwill on consolidation (cont'd)

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

	2015 RM'000	Group 2014 RM'000
<b>Accumulated impairment losses</b>		
Balance as at 1 January		
- Education operation - CGU 2	5,187	5,187
- Human capital resources - CGU 3	1,300	1,300
- Exhibition services (Singapore subsidiaries) - CGU 4	30,280	30,280
- Television channel - CGU 5	24,355	11,940
	<b>61,122</b>	48,707
Impairment 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	24,355
	<b>61,122</b>	61,122
Exchange differences	366	265
	<b>61,488</b>	61,387
<b>Carrying amount</b>	<b>106,850</b>	97,443
<b>Carrying amounts as at 31 December represents</b>		
- Radio broadcasting - CGU 1	21,932	21,932
- Education operation - CGU 2	-	-
- Human capital resources - CGU 3	722	722
- Exhibition services (Singapore subsidiaries) - CGU 4	28,660	19,903
- Television channel - CGU 5	-	-
- Chinese mass media - CGU 6	-	-
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
Exchange differences	2,832	2,182
	<b>106,850</b>	97,443

**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:

- (i) The value-in-use calculations apply discounted cash flow projections prepared and approved by management, covering a 5-year period.
- (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 weighted average cost of capital of the Group plus a reasonable risk premium at the date of assessment of the CGU. The average discount rate applied on the cash flow projections is 8.70%.

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 2015 RM'000	2014 RM'000
<b>Cost</b>		
Balance as at 1 January/31 December	25,192	25,192
<b>Accumulated amortisation</b>		
Balance as at 1 January	20,842	16,826
Charge for the financial year	-	4,016
Balance as at 31 December	20,842	20,842
<b>Accumulated impairment losses</b>		
Balance as at 1 January	4,350	-
Charge for the financial year	-	4,350
Balance as at 31 December	4,350	4,350
<b>Carrying amount</b>	-	-

## 9. INTANGIBLE ASSETS (CONT'D)

### (c) Television programmes rights

	2015 RM'000	Group 2014 RM'000
<b>Cost</b>		
Balance as at 1 January	17,498	12,184
Additions	4,621	4,552
Exchange differences	4,058	762
Balance as at 31 December	26,177	17,498
<b>Accumulated amortisation</b>		
Balance as at 1 January	11,842	6,787
Charge for the financial year	4,934	4,495
Exchange differences	3,259	560
Balance as at 31 December	20,035	11,842
<b>Carrying amount</b>	<b>6,142</b>	<b>5,656</b>

### (d) Computer software

	2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	2014 RM'000
<b>Cost</b>				
Balance as at 1 January	12,917	11,524	11,383	10,302
Additions during the financial year	507	1,382	257	1,081
Written off	(13)	(8)	-	-
Exchange differences	104	19	-	-
Balance as at 31 December	13,515	12,917	11,640	11,383
<b>Accumulated amortisation</b>				
Balance as at 1 January	10,049	8,222	9,328	8,027
Amortisation charge for the financial year	1,628	1,829	1,201	1,301
Written off	(13)	(4)	-	-
Exchange differences	52	2	-	-
Balance as at 31 December	11,716	10,049	10,529	9,328
<b>Carrying amount</b>	<b>1,799</b>	<b>2,868</b>	<b>1,111</b>	<b>2,055</b>



## 9. INTANGIBLE ASSETS (CONT'D)

## (e) Film rights

	Group and Company 2015 RM'000	2014 RM'000
<b>Cost</b>		
Balance as at 1 January	3,550	2,400
Reclassification from other receivables	-	1,150
Balance as at 31 December	3,550	3,550
<b>Accumulated amortisation</b>		
Balance as at 1 January	1,253	-
Charge for the financial year	-	1,253
Balance as at 31 December	1,253	1,253
<b>Accumulated impairment losses</b>		
Balance as at 1 January	2,297	-
Charge for the financial year	-	2,297
Balance as at 31 December	2,297	2,297
<b>Carrying amount</b>	-	-

## (f) Internet portal

	Group 2015 RM'000	2014 RM'000
<b>Cost</b>		
Balance as at 1 January/31 December	2,417	2,417
<b>Accumulated amortisation</b>		
Balance as at 1 January	906	302
Charge for the financial year	604	604
Balance as at 31 December	1,510	906
<b>Carrying amount</b>	907	1,511

## 9. INTANGIBLE ASSETS (CONT'D)

### (g) Exhibition license

	2015 RM'000	Group 2014 RM'000
<b>Cost</b>		
Balance as at 1 January	-	-
Acquisition of a subsidiary (Note 33(a))	21,683	-
Balance as at 31 December	21,683	-
<b>Accumulated amortisation</b>		
Balance as at 1 January	-	-
Charge for the financial year	547	-
Exchange differences	39	-
Balance as at 31 December	586	-
<b>Carrying amount</b>	<b>21,097</b>	-

## 10. INVESTMENTS IN SUBSIDIARIES

	2015 RM'000	Company 2014 RM'000
Unquoted shares - at cost	116,322	182,689
Equity loans	96,455	93,371
	212,777	276,060
Less: Accumulated impairment losses		
- Unquoted shares	(58,544)	(53,472)
- Equity loans	(6,551)	-
	(65,095)	(53,472)
	<b>147,682</b>	<b>222,588</b>

The Directors of the Company have reassessed the nature of the amounts owing by subsidiaries and determined that the outstanding balance net of impairment amounting to RM89,904,000 (2014: RM93,371,000) 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 investments of the Company in providing the subsidiaries with a long term source of additional capital.

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2015	Company 2014	Subsidiary 2015	Subsidiary 2014	
Star Papyrus Printing Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive
Star Publications (Singapore) Pte. Ltd. <sup>(1)</sup>	Singapore	100%	100%	-	-	Advertising and commission agent
Excel Corporation (Australia) Pty. Ltd. <sup>(1) #</sup>	Australia	100%	100%	-	-	Investment of assets held
Star Media Radio Group Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Asian Center For Media Studies Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive
Impian Ikon (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Laviani Pte. Ltd. <sup>(1)</sup>	Singapore	100%	100%	-	-	Investment holding
Star MediaWorks Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Acacia Forecast (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive
Capital FM Sdn. Bhd. <sup>^</sup>	Malaysia	100%	80%	-	-	Operating a wireless radio broadcasting station
Li TV Holdings Limited. <sup>(1) @</sup>	Hong Kong	100%	51%	-	-	Investment holding
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.	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%	100%	-	-	Inactive

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2015	Company 2014	Subsidiary 2015	Subsidiary 2014	
<b>Subsidiaries of Star MediaWorks Sdn. Bhd.</b>						
StarProperty Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising and provision of property exhibitions services
I. Star Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
MyStarJob Network Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising
Ocision Sdn. Bhd.	Malaysia	-	-	100%	100%	Designing and developing software applications and platforms and providing interactive marketing services
<b>Subsidiaries of Ocision Sdn. Bhd.</b>						
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
<b>Subsidiary of I. Star Sdn. Bhd.</b>						
Star Online Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
<b>Subsidiaries of Star Media Radio Group Sdn. Bhd.</b>						
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



## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2015	Company 2014	Subsidiary 2015	Subsidiary 2014	
<b>Subsidiary of Excel Corporation (Australia) Pty. Ltd.</b>						
AIUS Pty. Ltd. <sup>(1) #</sup>	Australia	-	-	100%	100%	Inactive
<b>Subsidiary of Impian Ikon (M) Sdn. Bhd.</b>						
Leaderonomics Sdn. Bhd.	Malaysia	-	-	51%	51%	Provision of human capital development services including training and consultancy
<b>Subsidiaries of Leaderonomics Sdn. Bhd.</b>						
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
Leaderonomics International Sdn. Bhd.	Malaysia	-	-	100%	100%	Carry on the business of human capital development including training and consultancy in Malaysia and/or internationally
Leaderonomics Good Monday Sdn. Bhd. *	Malaysia	-	-	75%	-	Produce, distribute and market materials and content related to organisational culture development and leadership or any business of human capital development
<b>Subsidiary of Laviani Pte. Ltd.</b>						
Cityneon Holdings Limited <sup>(1) &amp;</sup>	Singapore	-	-	65%	64%	Investment holding

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2015	2014	2015	2014	
Subsidiaries of Cityneon Holdings Limited						
Wonderful World Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs
Dayspring Entertainment Pte. Ltd. (formerly known as Cityneon Concepts Pte. Ltd.) <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of event organising management and event marketing services
Comprise Electrical (S) Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of electrical services for exhibitions and event management industries
Cityneon Contracts Sdn. Bhd. <sup>(2)</sup>	Malaysia	-	-	100%	100%	Provision of exhibitions and event management services, including rental of reusable modules and furnishings, roadshows and custom-built pavilions
Cityneon Events Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of management, projects, logistics and ownership service for events and festivals
Themewerks Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Design, build, construct, manufacture, trade in project and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets
Cityneon (Middle East) W.L.L. <sup>(2)</sup>	Bahrain	-	-	100%	100%	Provision of exhibition services including rental of reusable modules and furnishings, custom-built pavilions and roadshows
Cityneon Creations Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of design and build services for custom-built exhibition pavilions and roadshows
Cityneon Exhibition Services (Vietnam) Co. Ltd. <sup>(1)</sup>	Vietnam	-	-	100%	100%	Providing on interior and exterior decoration for offices, commercial buildings, shop, museums and theme parks
PT. Wonderful World Marketing Services Indonesia <sup>(2)</sup>	Indonesia	-	-	100%	100%	Provision of business and consultancy services

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2015	2014	2015	2014	
Subsidiaries of Cityneon Holdings Limited (cont'd)						
Cityneon Management Services Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of management, human resource and general office administrative services
Cityneon Exhibition Services Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	30%	30%	Provision of exhibition services including rental of reusable modules, furnishings and furnitures
Cityneon Shanghai Co. Ltd.	People's Republic of China	-	-	100%	100%	Dormant company
Cityneon Vietnam Company Limited. <sup>(1)</sup>	Vietnam	-	-	100%	100%	Provision of project management services (other than for construction) and to engage in the installation, assembly, building completion and finishing works
Cityneon Shelter Events (Shenzhen) Pte. Ltd. <sup>(2)</sup>	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. <sup>(2)</sup>	Brunei	-	-	90%	90%	Provision of general, civil engineering and building contractors
Bahrain Cityneon Co. W.L.L. <sup>(2)</sup>	Bahrain	-	-	100%	100%	Interior design for offices and homes, and third grade décor contracts
Cityneon Myanmar Company Limited <sup>(2)</sup>	Myanmar	-	-	100%	100%	Provision of interior fit-out services, exhibition and event services
Victory Hill Exhibitions Pte. Ltd. <sup>(1) *</sup>	Singapore	-	-	100%	-	Exhibition producer and intellectual property

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2015	Company 2014	Subsidiary 2015	Subsidiary 2014	
<b>Subsidiaries of Cityneon Holdings Limited (cont'd)</b>						
Cityneon Creations India Private Limited <sup>(2) +</sup>	India	-	-	50%	-	Provision of interior designing which shall capture the industries like retail, hospitality, healthcare and corporate
Cityneon Holdings Limited & Cityneon Creations Pte. Ltd. & Cityneon DAG India Private Limited - Joint Venture <sup>+</sup>	India	-	-	50%	-	Provision of interior designing which shall capture the industries like retail, hospitality, healthcare and corporate
<b>Subsidiaries of Cityneon Creations Pte. Ltd.</b>						
Cityneon Creations India Private Limited <sup>(2) +</sup>	India	-	-	40%	-	Provision of interior designing which shall capture the industries like retail, hospitality, healthcare and corporate
Cityneon Holdings Limited & Cityneon Creations Pte. Ltd. & Cityneon DAG India Private Limited - Joint Venture <sup>+</sup>	India	-	-	40%	-	Provision of interior designing which shall capture the industries like retail, hospitality, healthcare and corporate
<b>Subsidiary of Comprise Electrical (S) Pte. Ltd.</b>						
Cityneon Exhibition Services Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	70%	70%	Provision of exhibition services including rental of reusable modules, furnishings and furnitures
<b>Subsidiaries of Cityneon Exhibition Services Pte. Ltd.</b>						
Shanghai Cityneon Exhibition Services Co. Ltd. <sup>(2)</sup>	China	-	-	100%	100%	Designer and provider of services for trade fairs, exhibitions and displays



## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2015	2014	2015	2014	
<b>Subsidiaries of Cityneon Exhibition Services Pte. Ltd. (cont'd)</b>						
E-Graphics Displays Pte. Ltd. <sup>(1)</sup>	Singapore	-	-	60%	60%	Designer and production of environmental graphic materials including banners, posters, billboards and general signages for event and exhibition venues
<b>Subsidiary of Cityneon (Middle East) W.L.L.</b>						
C.N. Overseas Services W.L.L. <sup>(2)</sup>	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
<b>Subsidiary of Themewerks Pte. Ltd.</b>						
Artsapes Themewerks Pte. Ltd. <sup>(1)</sup>	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
<b>Subsidiaries of Victory Hill Exhibitions Pte. Ltd.</b>						
Station-LV, LLC <sup>(2) +</sup>	United States of America	-	-	100%	-	Provision of leasing space, planning and construction of an exhibition facility
Victory Hill Entertainment Group, LLC <sup>(2) +</sup>	United States of America	-	-	100%	-	Provision of worldwide administrative function, supporting the activities of affiliates
Victory Hill Exhibitions (UK) Limited <sup>(2) +</sup>	United Kingdom	-	-	100%	-	Exhibition producer and intellectual property

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of Company	Country of incorporation	Interest in equity held by				Principal activities
		Company 2015	Company 2014	Subsidiary 2015	Subsidiary 2014	
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. <sup>(1)</sup>	Singapore	-	-	100%	100%	Provision of technical operation and broadcasting support for high definition television channel
Li TV International Limited <sup>(1)</sup>	Hong Kong	-	-	100%	100%	Operating a regional pay/cable television channel

<sup>(1)</sup> Audited by member firms of BDO International.

<sup>(2)</sup> Not audited by BDO or member firms of BDO International.

\* Details of acquisitions of subsidiaries during the financial year are disclosed in Note 33 to the financial statements.

# Subsidiaries which are consolidated based on management accounts for the financial year ended 31 December 2015. The financial statements of these subsidiaries are not required to be audited as application had been made for striking off on 18 January 2016. As a result of this, the Company offsets the amount owing to Excel Corporation (Australia) Pty. Ltd. ("Excel"), which amounted to RM71,239,000 against cost of investment in Excel during the financial year ended 31 December 2015 as a form of return on investment.

^ During the financial year, the Company acquired the remaining 20% of the equity interest of Capital FM Sdn. Bhd. from its non-controlling interest shareholder for a cash consideration of RM1,500,000 (Note 33(c)).

@ During the financial year, the Company acquired the remaining 49% of the equity interest of Li TV Holdings Limited from its non-controlling interest shareholder for a cash consideration of USD767,235 (equivalent to RM3,372,000) (Note 33(d)).

& Interest of the Group in Cityneon Holdings Limited has increased from 64.08% to 64.97% during the financial year ended 31 December 2015 due to subscriptions of additional rights issue of shares of Cityneon Holdings Limited, which were not taken by the non-controlling interests.

+ The effects of these acquisitions/incorporations are immaterial to the Group.

(b) Impairment losses on investments in subsidiaries and equity loans amounting to RM5,072,000 (2014: RM44,124,000) and RM6,551,000 (2014: RM Nil) respectively have been recognised in respect of certain subsidiaries due to declining business operations. The recoverable amounts of these subsidiaries were based on their value in use amounts.

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

2015	Cityneon Holdings Limited	Leadernomics Sdn. Bhd.	Other individual immaterial subsidiaries	Total
NCI percentage of ownership interest and voting interest	35.03%	49.00%		
Carrying amount of NCI (RM'000)	54,730	4,264	2,197	61,191
Profit/(Loss) allocated to NCI (RM'000)	676	134	(3,157)	(2,347)

2014	Cityneon Holdings Limited	Li TV Holdings Limited	Leadernomics Sdn. Bhd.	Other individual immaterial subsidiaries	Total
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

NCI of Li TV Holdings Limited was not presented for 2015 as the Group had acquired the remaining interest in Li TV Holdings limited during the financial year.

The NCI of all other subsidiaries that are not wholly-owned by the Group are deemed to be immaterial.

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2015	Cityneon Holdings Limited RM'000	Leadernomics Sdn. Bhd. RM'000
<b>Assets and liabilities</b>		
Non-current assets	83,789	3,661
Current assets	186,406	7,008
Non-current liabilities	(3,407)	(2)
Current liabilities	(112,404)	(1,964)
Net assets	154,384	8,703

## 10. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

	Cityneon Holdings Limited RM'000	Leadernomics Sdn. Bhd. RM'000	
2015 (cont'd)			
Results			
Revenue	278,078	11,032	
Profit for the financial year	2,401	274	
Total comprehensive income	5,470	274	
Cash flows from operating activities	8,329	756	
Cash flows used in investing activities	(42,824)	(3,795)	
Cash flows from financing activities	33,166	375	
Net decrease in cash and cash equivalents	(1,329)	(2,664)	
	Cityneon Holdings Limited RM'000	Li TV Holdings Limited RM'000	Leadernomics Sdn. Bhd. RM'000
2014			
Assets and liabilities			
Non-current assets	9,291	6,305	621
Current assets	141,102	4,639	9,228
Non-current liabilities	(578)	(42)	(5)
Current liabilities	(81,265)	(9,038)	(1,414)
Net assets	68,550	1,864	8,430
Results			
Revenue	206,940	10,877	9,921
Profit/(Loss) for the financial year	6,141	(6,710)	1,196
Total comprehensive income/(loss)	8,708	(6,710)	1,196
Cash flows from operating activities	25,321	2,641	961
Cash flows (used in)/from investing activities	(2,440)	(4,464)	6
Cash flows from financing activities	1,825	-	-
Net increase/(decrease) in cash and cash equivalents	24,706	(1,823)	967



## 11. INVESTMENTS IN ASSOCIATES

	Group 2015 RM'000	2014 RM'000
At cost:		
- Unquoted equity shares	5,211	4,100
- Share of post-acquisition losses, net of dividends received	(538)	(583)
Less: Impairment losses	(3,517)	(3,517)
Exchange differences	4	-
	<b>1,160</b>	-

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

Name of Company	Country of incorporation	Interest in equity held by subsidiary		Principal activities
		2015	2014	
Voxy Labs Sdn. Bhd. <sup>(1)</sup>	Malaysia	49%	49%	Advisors, consultants and development for information technology related activities
Loanstreet Sdn. Bhd. <sup>(1)</sup>	Malaysia	20%	20%	Agents to undertake and perform sub-contracts
H&H Connection Sdn. Bhd. <sup>(1)</sup>	Malaysia	30%	30%	Online retailer
Geob International Sdn. Bhd. <sup>(1)</sup>	Malaysia	20%	20%	Distributors or dealers of medical products, electronic devices and engineering specialities
Poh Wah Event Scaffolding Pte. Ltd. <sup>(1)</sup>	Singapore	30%	-	Event organisers

<sup>(1)</sup> Not audited by BDO or member firms of BDO International.

All the above associates are accounted for using the equity method in the consolidated financial statements.

- (b) On 28 April 2015, Cityneon Holdings Limited ("Cityneon"), an indirect subsidiary of the Company had subscribed for 360 ordinary shares in Poh Wah Event Scaffolding Pte. Ltd. ("Poh Wah") for a total consideration SGD360 (equivalent to RM1,110), which represents 30% of the issued and paid up capital of Poh Wah. Subsequently on 4 June 2015, Poh Wah increased its issued and paid-up share capital from 1,200 ordinary shares to 1,200,000 ordinary shares by an allotment of 1,198,800 ordinary shares. Cityneon subscribed for 359,640 ordinary shares in Poh Wah for a total consideration of SGD359,640 (equivalent to RM1,110,000) ('Subscription of Shares'). The remaining 839,160 ordinary shares were subscribed by the other investor for a cash consideration of SGD839,160 (equivalent to RM2,590,000). Following the Subscription of Shares, the equity interest of the Group via Cityneon in Poh Wah remained at 30%. The Subscription of Shares did not have any material financial effect to the Group.
- (c) The financial statements of the above associates are contemporaneous with those of the Group, except for Poh Wah Event Scaffolding Pte. Ltd., which has a financial year end of 31 May. This was the financial reporting date established when it was incorporated, and a change of financial reporting period was not made. Management accounts since the date of incorporation to 31 December 2015 have been used for the purpose of applying the equity method of accounting in the consolidated financial statements.

## 11. INVESTMENTS IN ASSOCIATES (CONT'D)

(d) In the previous financial year, impairment losses on investments in associates amounting to RM3,517,000 had been recognised due to declining business operations. The recoverable amounts of the associates were based on their value in use amounts.

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

	Poh Wah Event Scaffolding Pte. Ltd. RM'000	Other individually immaterial associates RM'000
<b>2015</b>		
<b>Assets and liabilities</b>		
Non-current assets	2,476	155
Current assets	1,480	1,240
Current liabilities	(90)	(300)
Net assets	3,866	1,095
<b>Results</b>		
Revenue	1,155	499
Profit/(Loss) for the financial year	152	(925)
Total comprehensive income/(loss)	152	(925)
Cash flows used in operating activities	(138)	(1,071)
Cash flows used in investing activities	(2,312)	(15)
Cash flows from financing activities	3,455	1,404
Net increase in cash and cash equivalents	1,005	318
	Poh Wah Event Scaffolding Pte. Ltd. RM'000	Other individually immaterial associates RM'000
<b>2014</b>		
<b>Assets and liabilities</b>		
Non-current assets	-	171
Current assets	-	639
Current liabilities	-	(285)
Net assets	-	525
<b>Results</b>		
Revenue	-	319
Loss for the financial year	-	(1,935)
Total comprehensive loss	-	(1,935)
Cash flows used in operating activities	-	(1,710)
Cash flows used in investing activities	-	(139)
Cash flows from financing activities	-	1,377
Net decrease in cash and cash equivalents	-	(472)

## 11. INVESTMENTS IN ASSOCIATES (CONT'D)

- (f) The reconciliation of net assets of Poh Wah Event Scaffolding Pte. Ltd. to the carrying amount of the investments in associates is as follows:

	Poh Wah Event Scaffolding Pte. Ltd. RM'000	Total RM'000
<b>As at 31 December 2015</b>		
Share of net assets of the Group	1,160	1,160
Goodwill	-	-
Carrying amount in the statements of financial position	1,160	1,160
<b>Share of results of the Group for the financial year ended 31 December 2015</b>		
Share of profit/other comprehensive income of the Group	45	45

No reconciliation of net assets to the carrying amount of other investments in associates is disclosed as the costs of investments in these associates had been fully impaired.

## 12. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted equity shares, at cost	-	20,006	-	20,006
Share of post acquisition losses, net of dividends received	-	(18,188)	-	-
Less:				
Accumulated impairment losses	-	(1,675)	-	(19,497)
	-	143	-	509

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

Name of Company	Country of incorporation	Interest in equity held by Company		Principal activity
		2015	2014	
701Panduan Sdn. Bhd. <sup>(1)</sup>	Malaysia	-	50%	Provide directory services through internet, mobile and other platforms

<sup>(1)</sup> Not audited by BDO or member firms of BDO International.

- (ii) 701Panduan Sdn. Bhd., the only joint venture in which the Group and the Company participated, was an unlisted separate structured entity. The contractual arrangement provided 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 was previously classified as a joint venture and was included in the consolidated financial statements using the equity method.

## 12. INVESTMENT IN A JOINT VENTURE (CONT'D)

- (iii) The said joint venture was dissolved on 29 August 2015 pursuant to the members' voluntary liquidation proceedings, which commenced on 30 January 2013. Proceed of RM1,168,000 was received by the Group and the Company from the dissolution of 701Panduan Sdn. Bhd. and accordingly gain of RM1,025,000 and RM659,000 were recognised by the Group and the Company respectively during the financial year ended 31 December 2015. This dissolution has no material impact on the earnings or net assets of the Company for the financial year ended 31 December 2015.
- (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, were as follows:

	2015 RM'000	2014 RM'000
<b>Assets and liabilities</b>		
Current assets	-	4,727
Total assets	-	4,727
Current liabilities	-	1,219
Total liabilities	-	1,219
<b>Results</b>		
Revenue	-	-
Expenses, including finance costs and tax expense	-	-

## 13. OTHER INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
Financial assets at fair value through profit or loss				
Within Malaysia				
- Quoted investment funds	40,114	36,643	37,422	36,643
- Quoted equity investments	3,041	3,930	3,041	3,930
	43,155	40,573	40,463	40,573
Outside Malaysia				
- Unquoted equity investment	1,531	1,531	1,531	1,531
Total non-current other investments	44,686	42,104	41,994	42,104
<b>Current</b>				
Financial assets held to maturity				
- 5.50% p.a. Malaysian quoted due on 27 February 2015	-	5,000	-	5,000
	-	5,000	-	5,000
Total other investments	44,686	47,104	41,994	47,104

- (a) Information on the fair value hierarchy is disclosed in Note 39(d) to the financial statements.
- (b) Information on financial risk of other investments is disclosed in Note 40 to the financial statements.

## 14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
Other receivables	2,990	88,366	-	85,377
<b>Current</b>				
<b>Trade</b>				
Third parties	116,048	111,405	61,885	66,768
Subsidiaries	-	-	131	240
Related parties	697	1,433	697	1,382
Amounts due from customers for contract works	21,316	22,139	-	-
	138,061	134,977	62,713	68,390
Less: Impairment losses				
- Third parties	(4,232)	(3,864)	(1,111)	(667)
	133,829	131,113	61,602	67,723
<b>Non-trade</b>				
Third parties	85,898	32,428	42,406	9,581
Amounts owing by subsidiaries	-	-	104,027	77,525
Amounts owing by related parties	182	-	-	-
	86,080	32,428	146,433	87,106
Less: Impairment losses				
- Third parties	(3,504)	(3,498)	(3,456)	(3,450)
- Subsidiaries	-	-	(46,263)	(42,866)
	82,576	28,930	96,714	40,790
Sundry deposits and other receivables	5,832	6,834	1,793	2,147
<b>Loans and receivables</b>	222,237	166,877	160,109	110,660
<b>Prepayments</b>				
Prepayments	20,891	8,853	10,983	4,922
	243,128	175,730	171,092	115,582

- (a) Included in other receivables is an amount of RM36,343,000 (2014: RM85,377,000), which represents the net present value of a receivable arising from the disposal of a parcel of land in prior years that will be settled in kind via a building.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company ranges from payment in advance to credit period of 90 days (2014: 90 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.



## 14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	2015 RM'000	Group 2014 RM'000
Aggregate costs incurred to date	272,810	153,876
Add: Attributable profits	79,952	38,977
	352,762	192,853
Less: Progress billings	(334,413)	(175,687)
	18,349	17,166
Represented by:		
Amount due from customers for contract works	21,316	22,139
Amount due to customers for contract works (Note 24)	(2,967)	(4,973)
	18,349	17,166

As at 31 December 2015, retention monies held by customers for contract works amounted to RM11,906,000 (2014: RM9,449,000).

(d) Amounts owing by subsidiaries are in respect of advances, which are unsecured, interest free and payable upon demand in cash and cash equivalents except for RM10,803,000 (2014: RM14,971,000), which is subject to interest at a rate of 3.80% (2014: 3.93%) per annum.

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	113,438	122,007	58,706	66,118
Past due, not impaired				
90 to 120 days	19,012	7,300	2,019	800
121 to 180 days	725	688	652	338
More than 181 days	654	1,118	225	467
	20,391	9,106	2,896	1,605
Past due and impaired	4,232	3,864	1,111	667
	138,061	134,977	62,713	68,390

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

### Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payment history. The trade receivables that are past due but not impaired are unsecured in nature.

**14. TRADE AND OTHER RECEIVABLES (CONT'D)**

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

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 each reporting period are as follows:

	Group Individually impaired		Company Individually impaired	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables, gross	<b>4,232</b>	3,864	<b>1,111</b>	667
Less: Impairment losses	<b>(4,232)</b>	(3,864)	<b>(1,111)</b>	(667)
	-	-	-	-

- (f) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	<b>3,864</b>	3,969	<b>667</b>	498
Charge for the financial year (Note 28)	<b>1,775</b>	1,192	<b>686</b>	484
Written off	<b>(1)</b>	(678)	-	(269)
Reversal of impairment losses on trade receivables (Note 28)	<b>(1,658)</b>	(668)	<b>(242)</b>	(46)
Exchange differences	<b>252</b>	49	-	-
At 31 December	<b>4,232</b>	3,864	<b>1,111</b>	667

Trade receivables that are individually determined to be impaired at the end of each 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.

- (h) The currency exposure profiles of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	<b>125,632</b>	182,750	<b>99,552</b>	177,323
Singapore Dollar	<b>61,196</b>	23,930	<b>60,171</b>	18,420
Bahraini Dinar	<b>14,944</b>	27,369	-	-
Omani Rial	<b>12,742</b>	1,695	-	-
Chinese Renminbi	<b>5,002</b>	6,987	<b>9</b>	-
United States Dollar	<b>3,776</b>	9,998	<b>352</b>	285
Vietnamese Dong	<b>1,664</b>	1,122	-	-
British Pound	<b>11</b>	3	<b>14</b>	7
Euro	<b>9</b>	203	<b>11</b>	2
Others	<b>251</b>	1,186	-	-
	<b>225,227</b>	255,243	<b>160,109</b>	196,037

- (i) Information on financial risks of trade and other receivables is disclosed in Note 40 to the financial statements.

## 15. DEFERRED TAX

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Balance as at 1 January	61,812	64,409	62,482	66,866
Recognised in profit or loss (Note 29)	(10,505)	(2,829)	(11,312)	(4,384)
Acquisition of a subsidiary (Note 33(a))	2,834	-	-	-
Disposal of a subsidiary (Note 34)	-	230	-	-
Exchange differences	28	2	-	-
Balance as at 31 December	54,169	61,812	51,170	62,482
Presented after appropriate offsetting:				
Deferred tax assets, net	(324)	(621)	-	-
Deferred tax liabilities, net	54,493	62,433	51,170	62,482
	54,169	61,812	51,170	62,482

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

### Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM'000	Accrual for staff costs RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2015	(601)	(6,313)	(68)	6,361	(621)
Recognised in profit or loss	(115)	112	(6,130)	6,431	298
Exchange differences	-	-	(1)	-	(1)
At 31 December 2015	(716)	(6,201)	(6,199)	12,792	(324)
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
Exchange differences	-	-	230	-	230
At 31 December 2014	(601)	(6,313)	(68)	6,361	(621)

## 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 Group**

	Property, plant and equipment RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2015	68,780	14	(6,361)	62,433
Recognised in profit or loss	(4,355)	-	(6,431)	(10,786)
Acquisition of a subsidiary (Note 33(a))	2,834	-	-	2,834
Exchange differences	12	-	-	12
At 31 December 2015	67,271	14	(12,792)	54,493
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

**Deferred tax liabilities of the Company**

	Property, plant and equipment RM'000	Accruals for staff costs RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2015	68,128	(5,646)	-	62,482
Recognised in profit or loss	(4,893)	33	(6,452)	(11,312)
At 31 December 2015	63,235	(5,613)	(6,452)	51,170
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

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

	Group 2015 RM'000	2014 RM'000
Other temporary differences	27,147	4,966
Unabsorbed capital allowances	3,009	5,484
Unused tax losses	64,658	62,652
	94,814	73,102

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 deductible temporary differences do not expire under current tax legislation.

## 16. INVENTORIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>At cost</b>				
Newsprint	49,234	96,425	49,234	96,425
Other raw materials and consumables	665	938	27	35
	<b>49,899</b>	<b>97,363</b>	<b>49,261</b>	<b>96,460</b>

During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM86,528,000 (2014: RM113,358,000) and RM85,162,000 (2014: RM109,411,000).

## 17. DERIVATIVE ASSETS

	Contract amount RM'000	2015 Financial assets RM'000	Contract amount RM'000	2014 Financial assets RM'000
<b>Group and Company</b>				
Forward currency contracts	11,210	164	-	-

- During the financial year, the Group and the Company entered into five (5) currency forward contracts (2014: Nil) with financial institutions.
- These currency forward contracts were entered into with the objective of managing and hedging the exposure of the Group and the Company to adverse price movements in foreign currencies. The fair values of the components have been determined based on counter parties' quotes as at the end of each reporting period.
- The above derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.
- During the financial year, the Group and the Company recognised a net gain of RM164,000 arising from fair value changes of derivative assets.
- The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 39 to the financial statements.

## 18. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	124,825	137,763	32,125	29,396
Deposits placed with licensed banks	508,047	483,591	463,392	433,283
	<b>632,872</b>	<b>621,354</b>	<b>495,517</b>	<b>462,679</b>



**18. CASH AND BANK BALANCES (CONT'D)**

- (a) Deposits of the Group and of the Company have a range of maturity period of 7 days to 365 days (2014: 2 days to 365 days).
- (b) Information on financial risks of cash and bank balances is disclosed in Note 40 to the financial statements.
- (c) Included in the cash and cash equivalents of the Group is an amount of RM13,966,000 (2014: RM12,123,000) held by subsidiaries in the People's Republic of China ("PRC"), which are subject to foreign currency exchange restrictions. Under the PRC's Foreign Exchange Control Regulations, the Group is only permitted to exchange for foreign currencies through banks that are authorised to conduct foreign exchange business.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	<b>124,825</b>	137,763	<b>32,125</b>	29,396
Deposits placed with licensed banks	<b>508,047</b>	483,591	<b>463,392</b>	433,283
Less:				
Deposits placed with licensed banks with original maturity of more than three (3) months	<b>(47,745)</b>	(28,306)	<b>(35,904)</b>	(26,000)
	<b>585,127</b>	593,048	<b>459,613</b>	436,679

- (e) The currency exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	<b>555,497</b>	547,664	<b>495,143</b>	462,270
United States Dollar	<b>20,889</b>	8,311	<b>19</b>	19
Chinese Renminbi	<b>13,254</b>	8,652	<b>5</b>	5
Singapore Dollar	<b>12,912</b>	25,092	<b>345</b>	380
Omani Rial	<b>11,427</b>	8,719	-	-
Bahraini Dinar	<b>11,277</b>	3,896	-	-
Euro	<b>4,353</b>	6,662	-	-
Qatari Rial	<b>2,199</b>	11,349	-	-
Brunei Dollar	<b>731</b>	528	-	-
British Pound	<b>5</b>	5	<b>5</b>	5
Australian Dollar	<b>3</b>	44	-	-
Others	<b>325</b>	432	-	-
	<b>632,872</b>	621,354	<b>495,517</b>	462,679

## 19. SHARE CAPITAL AND TREASURY SHARES

	2015		Company		2014
	Number of shares '000	RM'000	Number of shares '000	RM'000	
Ordinary shares of RM1.00 each:					
Authorised	1,000,000	1,000,000	1,000,000	1,000,000	
Issued and fully paid	738,564	738,564	738,564	738,564	

(a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regards to the residual assets of the Company.

(b) Treasury shares

At an Extraordinary General Meeting held on 18 May 2005, the shareholders of the Company approved the proposal to repurchase up to 10% of its own shares ("Share Buy-Back") of the Company. 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.

The details of the treasury shares are as follows:

Year	Number of shares re-purchased '000	Total consideration paid RM'000	Transaction costs RM'000	Average price per share RM
2009	70	225	1	3.18
2012	125	358	2	2.86
2014	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 2015, 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 2015.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

## 20. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-distributable:</b>				
Share option reserve	526	817	-	-
Foreign exchange translation reserve	31,612	24,107	-	-
	<b>32,138</b>	24,924	-	-
<b>Distributable:</b>				
Retained earnings	376,206	380,665	361,513	368,255
	<b>408,344</b>	405,589	<b>361,513</b>	368,255

## (a) Share option reserve

The share option reserve of the Group 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 employees of Cityneon Group recorded on the grant date of share options.

## (b) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the 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.

## 21. MEDIUM TERM NOTES

In 2011, the Company issued two (2) RM100 million nominal value Medium Term Notes ("MTN") with fixed interest rates of 4.5% and 4.8% per annum respectively. These MTN are unsecured and have 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 40 to the financial statements.

The Medium Term Notes are denominated in Ringgit Malaysia.

## 22. BORROWINGS

	Note	2015 RM'000	Group 2014 RM'000	2015 RM'000	Company 2014 RM'000
<b>Non-current</b>					
Hire purchase and finance lease liabilities	23	2,997	4,172	-	-
<b>Current</b>					
Bank loans (secured)		68,509	63,933	-	-
Hire purchase and finance lease liabilities	23	1,352	1,228	-	1
		69,861	65,161	-	1
<b>Total borrowings</b>					
Bank loans (secured)		68,509	63,933	-	-
Hire purchase and finance lease liabilities	23	4,349	5,400	-	1
		72,858	69,333	-	1

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

Group 2015	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)	2016	68,509	68,509	-	-	-
Hire purchase and finance lease liabilities	2020	4,349	1,352	1,373	1,624	-
		72,858	69,861	1,373	1,624	-
<b>2014</b>						
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
<b>Company 2014</b>						
Hire purchase and finance lease liabilities	2015	1	1	-	-	-

**22. BORROWINGS (CONT'D)**

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Singapore Dollar	67,141	63,842	-	-
Ringgit Malaysia	5,717	5,491	-	1
	<b>72,858</b>	<b>69,333</b>	<b>-</b>	<b>1</b>

- (c) One of the secured bank loans of RM43,211,000 (2014: RM37,485,000) 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 RM25,298,000 (2014: RM26,448,000) of the Group are guaranteed by its subsidiaries.

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

**23. HIRE PURCHASE AND FINANCE LEASE LIABILITIES**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum lease payments:				
- not later than one (1) year				
Hire purchase	295	240	-	1
Finance leases	1,290	1,290	-	-
	<b>1,585</b>	<b>1,530</b>	<b>-</b>	<b>1</b>
- later than one (1) year but not later than five (5) years				
Hire purchase	563	633	-	-
Finance leases	2,666	3,956	-	-
	<b>3,229</b>	<b>4,589</b>	<b>-</b>	<b>-</b>
- later than five (5) years				
Hire purchase	-	28	-	-
Finance leases	-	-	-	-
	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>
Total minimum lease payments	<b>4,814</b>	<b>6,147</b>	<b>-</b>	<b>1</b>
Less: Future interest charges				
- Hire purchase	(63)	(75)	-	-
- Finance leases	(402)	(672)	-	-
	<b>(465)</b>	<b>(747)</b>	<b>-</b>	<b>-</b>
Present value of minimum lease payment	<b>4,349</b>	<b>5,400</b>	<b>-</b>	<b>1</b>



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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Present value of minimum lease payments is represented by:				
Hire purchase	795	826	-	1
Finance leases	3,554	4,574	-	-
	<b>4,349</b>	<b>5,400</b>	<b>-</b>	<b>1</b>
Repayable as follows:				
Current liabilities				
- not later than one (1) year				
Hire purchase	265	209	-	1
Finance leases	1,087	1,019	-	-
Total current liabilities	<b>1,352</b>	<b>1,228</b>	<b>-</b>	<b>1</b>
Non-current liabilities				
- later than one (1) year but not later than five (5) years				
Hire purchase	530	590	-	-
Finance leases	2,467	3,555	-	-
	<b>2,997</b>	<b>4,145</b>	<b>-</b>	<b>-</b>
- later than five (5) years				
Hire purchase	-	27	-	-
Finance leases	-	-	-	-
	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>
Total non-current liabilities	<b>2,997</b>	<b>4,172</b>	<b>-</b>	<b>-</b>
	<b>4,349</b>	<b>5,400</b>	<b>-</b>	<b>1</b>

(a) The remaining lease terms range from one (1) to five (5) years with options to purchase at the end of the lease term. Lease terms do not contain restrictions concerning dividends or additional debt.

(b) Information on financial risks of hire purchase and finance lease liabilities is disclosed in Note 40 to the financial statements.

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
Contingent consideration for business combination	-	3,395	-	-
<b>Current</b>				
<b>Trade payables</b>				
Third parties	34,718	23,065	2,224	3,351
Subsidiaries	-	-	4,204	4,303
Amount due to customers for contract works (Note 14(c))	2,967	4,973	-	-
	37,685	28,038	6,428	7,654
<b>Other payables</b>				
Amounts owing to subsidiaries	-	-	4,745	80,154
Contingent consideration for business combination	9,844	5,780	-	-
Other payables	20,330	24,433	12,954	12,245
Deferred income	9,563	6,067	7,366	4,400
Deposits from agents, subscribers and customers	22,889	27,175	18,906	26,231
Accruals	79,834	62,949	45,315	42,353
	142,460	126,404	89,286	165,383
	180,145	154,442	95,714	173,037

- (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 (2014: 1 to 4 months).
- (b) Amounts owing to subsidiaries represent payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents. In the previous financial year, amount owing to a subsidiary amounted to RM76,705,000 was subject to interest at a rate of 3.45% per annum.
- (c) Included in other payables of the Group are amounts owing to Directors of certain subsidiaries amounting to RM962,000 (2014: RM504,000).
- (d) A reconciliation of the deferred income is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Balance as at 1 January	6,067	5,656	4,400	3,985
Additions during the financial year	86,815	62,288	37,421	29,042
Recognised as revenue during the financial year	(83,319)	(61,877)	(34,455)	(28,627)
Balance as at 31 December	9,563	6,067	7,366	4,400

Deferred income comprises consideration received in advance from customers for advertisement and exhibition services as well as subscription of newspapers and magazines by the customers.

## 24. TRADE AND OTHER PAYABLES (CONT'D)

- (e) Included in the accruals of the Group and the Company are payroll related accruals amounting to RM42,391,000 (2014: RM38,853,000) and RM31,299,000 (2014: RM30,808,000) respectively.
- (f) As part of the purchase agreements with the previous owners of CNM Events Marketing Sdn. Bhd. ("CNM Events Marketing") and Victory Hill Exhibitions Pte. Ltd. ("VHE"), certain contingent considerations have been agreed. These contingent considerations are dependent on the profit targets as agreed in the purchase agreements.

A reconciliation of the contingent considerations for the business combinations are as follows:

	Group	
	2015 RM'000	2014 RM'000
At 1 January	9,175	13,499
Accretion	225	606
Acquisition of a subsidiary (Note 33(a))	6,224	-
Payment	(5,780)	(4,930)
At 31 December	9,844	9,175
Repayable as follows:		
Current liabilities		
- not later than one (1) year	9,844	5,780
Non-current liabilities		
- later than one (1) year	-	3,395
	9,844	9,175

- (g) Information on financial risks of trade and other payables is disclosed in Note 40 to the financial statements.
- (h) The currency exposure profiles of trade and other payables (net of deferred income) are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	90,961	97,546	83,423	161,786
Singapore Dollar	45,148	23,898	646	-
Bahraini Dinar	17,562	13,037	-	-
British Pound	5,096	4,156	4,100	3,842
United States Dollar	4,450	9,027	169	2,956
Chinese Renminbi	4,403	1,295	-	-
Euro	1,798	1,994	9	-
Australian Dollar	1	88	1	1
Others	1,163	729	-	52
	170,582	151,770	88,348	168,637

## 25. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Publication, printing and distribution of newspapers and magazines and online advertisements	643,271	706,474	636,328	695,782
Event management, exhibition services and thematic	304,280	235,533	-	-
Broadcasting	48,580	51,368	-	-
Subscription and distribution	12,019	10,877	-	-
Others	10,870	9,485	-	-
	<b>1,019,020</b>	<b>1,013,737</b>	<b>636,328</b>	<b>695,782</b>

## 26. COST OF SALES AND SERVICES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Publication, printing and distribution of newspapers and magazines and digital	222,683	247,305	222,677	246,625
Event management, exhibition services and thematic	224,813	160,965	-	-
Broadcasting	10,277	9,649	-	-
Subscription and distribution	11,157	9,451	-	-
Others	3,915	3,420	-	-
	<b>472,845</b>	<b>430,790</b>	<b>222,677</b>	<b>246,625</b>

## 27. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expenses on:				
- Medium Term Notes	9,300	9,300	9,300	9,300
- Finance lease liabilities	231	303	-	-
- Hire purchase creditors	35	16	-	-
- Bank loans	1,851	520	-	-
- Advances from a subsidiary	-	-	-	2,621
- Others	140	4	-	-
	<b>11,557</b>	<b>10,143</b>	<b>9,300</b>	<b>11,921</b>

## 28. PROFIT BEFORE TAX

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- Statutory					
- Current year		1,100	922	218	203
- (Over)/Under provision in prior years		(1)	(7)	-	-
- Non-statutory					
- Current year		228	14	14	14
Amortisation of intangible assets		7,713	12,197	1,201	2,554
Accretion of contingent considerations		225	606	-	-
Bad debts written off		1	14	-	9,695
Depreciation of:					
- property, plant and equipment	7	43,377	43,549	35,766	36,127
- investment properties	8	246	246	246	246
Directors' remuneration payable to:					
- Directors of the Company					
- fees		700	606	700	606
- other emoluments	32	3,094	3,255	3,094	3,255
- Directors of subsidiaries					
- fees		725	682	-	-
- other emoluments		11,413	9,793	-	-
Fair value loss on other investments		832	-	828	-
Foreign exchange loss:					
- realised		-	52	-	87
- unrealised		1,142	512	3,285	-
Impairment losses on:					
- amounts owing by subsidiaries		-	-	12,997	-
- equity loan	10	-	-	6,551	-
- intangible assets		-	19,062	-	2,297
- investments in associates	11	-	3,517	-	-
- investments in subsidiaries	10	-	-	5,072	44,124
- trade receivables	14(f)	1,775	1,192	686	484
- other receivables		6	3,450	6	3,450
Intangible asset written off	9(d)	-	4	-	-
Interest expense	27	11,557	10,143	9,300	11,921



## 28. PROFIT BEFORE TAX (CONT'D)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging (cont'd):					
Loss on disposal of:					
- property, plant and equipment		-	217	-	205
- investment in a subsidiary	34	-	2,537	-	1,366
- other investments		<b>176</b>	-	<b>176</b>	-
Operating lease rental		<b>385</b>	123	<b>385</b>	123
Property, plant and equipment written off	7	<b>416</b>	191	<b>115</b>	32
Rental of premises		<b>8,346</b>	7,541	<b>402</b>	499
Rental of warehouse		<b>36</b>	39	-	-
Voluntary Separation Scheme expenses	32	-	11,500	-	11,500
And crediting:					
Accretion of non-current other receivables		<b>3,150</b>	4,200	<b>3,150</b>	4,200
Bad debts recovered		<b>4</b>	-	<b>4</b>	-
Fair value gain on:					
- derivative assets		<b>164</b>	-	<b>164</b>	-
- other investments		-	1,051	-	1,051
Foreign exchange gain:					
- realised		<b>1,179</b>	-	<b>1,088</b>	-
- unrealised		-	-	-	1,976
Gain on disposal of:					
- property, plant and equipment		<b>272</b>	-	<b>277</b>	-
- other investments		-	81	-	81
Gain on dissolution of a joint arrangement	12(iii)	<b>1,025</b>	-	<b>659</b>	-
Interest income		<b>5,644</b>	6,761	<b>6,221</b>	6,609
Investment income		<b>15,058</b>	11,177	<b>15,006</b>	11,177
Rental income:					
- investment properties		<b>714</b>	581	<b>714</b>	581
- others		<b>414</b>	343	<b>169</b>	100
Reversal of impairment losses on:					
- amount owing by a subsidiary		-	-	<b>9,600</b>	-
- trade receivables	14(f)	<b>1,658</b>	668	<b>242</b>	46
Waiver of interest from a subsidiary		-	-	<b>11,347</b>	-

The estimated monetary value of benefits-in-kind not included in the above received by Directors of the Company was RM281,000 (2014: RM610,000) for the Group and the Company.

## 29. TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current year tax expense based on profit for the financial year				
- Malaysian income tax	<b>51,358</b>	47,663	<b>47,100</b>	42,800
- Foreign income tax	<b>78</b>	527	-	-
	<b>51,436</b>	48,190	<b>47,100</b>	42,800
Over provision in prior years				
- Malaysian income tax	<b>(1,326)</b>	(3,973)	<b>(1,537)</b>	(3,483)
- Foreign income tax	<b>(141)</b>	-	-	-
	<b>(1,467)</b>	(3,973)	<b>(1,537)</b>	(3,483)
	<b>49,969</b>	44,217	<b>45,563</b>	39,317
Deferred tax (Note 15)				
- Relating to origination and reversal of temporary differences	<b>(12,805)</b>	285	<b>(13,430)</b>	(1,834)
- Under/(Over) provision in prior years	<b>2,300</b>	(3,114)	<b>2,118</b>	(2,550)
	<b>(10,505)</b>	(2,829)	<b>(11,312)</b>	(4,384)
Tax expense	<b>39,464</b>	41,388	<b>34,251</b>	34,933

(a) The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate will be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards. The computation of deferred tax as at 31 December 2015 has reflected these changes.

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

## 29. TAX EXPENSE (CONT'D)

- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	170,073	153,421	160,341	105,987
Taxation at Malaysian statutory rate of 25% (2014: 25%)	42,518	38,356	40,085	26,497
Expenses not deductible for tax purposes	1,519	17,606	5,639	19,145
Income not subject to tax	(7,279)	(6,907)	(9,922)	(4,676)
Deferred tax assets not recognised	7,435	1,011	-	-
Utilisation of previously unrecognised deferred tax assets	(2,007)	(1,022)	-	-
Reduction in deferred taxes as a result of reduction in tax rate	(2,133)	-	(2,132)	-
Difference in tax rates in foreign jurisdiction	(1,422)	(569)	-	-
	38,631	48,475	33,670	40,966
(Over)/Under provision in prior years				
- corporate tax	(1,467)	(3,973)	(1,537)	(3,483)
- deferred tax	2,300	(3,114)	2,118	(2,550)
Tax expense	39,464	41,388	34,251	34,933

- (d) Tax savings of the Group are as follows:

	Group	
	2015 RM'000	2014 RM'000
Arising from utilisation of previously unrecognised deferred tax assets	2,007	1,022

- (e) Tax on each component of other comprehensive income is as follows:

	Group					
	Before tax RM'000	2015 Tax effect RM'000	After tax RM'000	Before tax RM'000	2014 Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	12,963	-	12,963	4,465	-	4,465

## 30. EARNINGS PER ORDINARY SHARE

### (a) 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.

	2015	2014
Profit attributable to equity holders of the parent (RM'000)	<b>132,956</b>	111,416
Weighted average number of ordinary shares in issue ('000)	<b>738,564</b>	738,564
Weighted average number of treasury shares held ('000)	<b>(607)</b>	(607)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	<b>737,957</b>	737,957
Basic earnings per ordinary share (sen)	<b>18.02</b>	15.10

### (b) Diluted earnings per ordinary share

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

## 31. DIVIDENDS

	Group and Company		
	Gross dividend per ordinary share sen	Amount of dividend, net of tax RM'000	Net dividend per ordinary share sen
<b>2015</b>			
2015 First interim dividend paid	<b>9.0</b>	<b>66,416</b>	<b>9.0</b>
2014 Second interim dividend paid	<b>6.0</b>	<b>44,277</b>	<b>6.0</b>
2014 Special interim dividend paid	<b>3.0</b>	<b>22,139</b>	<b>3.0</b>
	<b>18.0</b>	<b>132,832</b>	<b>18.0</b>
<b>2014</b>			
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

Subsequent to the financial year, on 26 February 2016, the Directors declared a second interim dividend of 9.0 sen per ordinary share, single tier which amounted to RM66,416,000 in respect of the financial year ended 31 December 2015. The dividends are payable on 18 April 2016 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2016. The financial statements for the current financial year do not reflect the proposed dividend.

**32. EMPLOYEE BENEFITS**

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries and wages	<b>232,389</b>	225,554	<b>152,915</b>	154,954
Defined contribution retirement plans	<b>27,857</b>	25,973	<b>21,443</b>	20,345
Others	<b>12,135</b>	9,145	<b>9,854</b>	3,968
	<b>272,381</b>	260,672	<b>184,212</b>	179,267

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM14,507,000 (2014: RM13,048,000) and RM3,094,000 (2014: RM3,255,000) respectively.

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

**33. ACQUISITIONS OF SUBSIDIARIES AND ACQUISITIONS OF ADDITIONAL INTERESTS IN SUBSIDIARIES**

(a) Acquisition of a subsidiary - Victory Hill Exhibitions Pte. Ltd. ("VHE")

- (i) On 1 April 2015, Cityneon Holdings Limited ("Cityneon") entered into a sales and purchase agreement with Philadelphia Investment Ltd. ("the Seller") to acquire 100% equity interest in VHE. The acquisition was completed on 30 September 2015 and VHE became a subsidiary of the Group.

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

	RM'000
Property, plant and equipment (Note 7)	<b>32,716</b>
Intangible assets (Note 9(g))	<b>21,683</b>
Receivables	<b>5,363</b>
Deferred tax (Note 15(a))	<b>(2,834)</b>
Borrowings	<b>(4,290)</b>
Total identifiable net assets	<b>52,638</b>
Goodwill arising from acquisition (Note 9(a))	<b>8,757</b>
Total cost of acquisition	<b>61,395</b>

Total cost of acquisition of VHE consists of the following:

	RM'000
Purchase consideration in cash	<b>30,865</b>
Purchase consideration paid in quoted shares of Cityneon	<b>24,306</b>
Contingent consideration	<b>6,224</b>
Total cost of acquisition	<b>61,395</b>

Goodwill of RM8,757,000 arising from the acquisition of the business would allow the Group to diversify the revenue stream and enhance its performance in the foreseeable future.



## 33. ACQUISITIONS OF SUBSIDIARIES AND ACQUISITIONS OF ADDITIONAL INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Acquisition of a subsidiary - Victory Hill Exhibitions Pte. Ltd. ("VHE") (cont'd)

(ii) Transaction costs related to the acquisition of RM3,452,000 have been recognised in profit or loss as administrative expenses.

(iii) Contingent consideration

As part of the sales and purchase agreement, a contingent consideration arrangement has been agreed. In the event (i) VHE's profit after tax for the 12-month period ending 30 June 2016 as set out in the audited financial statements for the same period ("2015/2016 PAT") is equal to or greater than SGD2,800,000 (equivalent to RM8,642,000) ("Year 1 Profit Guarantee") and (ii) provided that the Guarantor is in compliance in all material respects with the terms of his Management Agreement from 30 September 2015 to 30 June 2016, the Seller shall be entitled to the following from the Company:

- (a) the sum of SGD2,000,000 (equivalent to RM6,173,000) ("deferred payment") in cash; and
- (b) a sum in cash, equivalent to 30% of the amount by which the 2015/2016 PAT exceeds the Year 1 Profit Guarantee ("incentive payment").

Should the 2015/2016 PAT be less than the Year 1 Profit Guarantee, the Seller shall pay the Company the Shortfall Payment in cash, being the difference between the 2015/2016 PAT and the Year 1 Profit Guarantee.

For the avoidance of doubt, the Seller shall not be entitled to the deferred payment and the incentive payment if the 2015/2016 PAT is less than the Year 1 Profit Guarantee and if the Guarantor is not in compliance, in any material respect, with the terms of his Management Agreement from 30 September 2015 to 30 June 2016.

The terms of the sales and purchase agreement further provides for the following:

- (c) where (i) VHE's profit after tax for the 12-month period ending 30 June 2017 as set out in the audited management accounts for the same period ("2016/2017 PAT") is equal to or greater than SGD4,500,000 (equivalent to RM13,889,000) ("Year 2 Profit Target") and (ii) the Guarantor is in compliance in all material respects with the terms of his Management Agreement from 30 September 2015 to 30 June 2017, the Seller shall be entitled to the sum in cash equivalent to 30% of the amount by which the 2016/2017 PAT exceeds the Year 2 Profit Target from the Company, no later than 31 July 2017; and
- (d) where (i) VHE's profit after tax for the 12-month period ending 30 June 2018 as set out in the audited management accounts for the same period ("2017/2018 PAT") is equal to or greater than SGD5,500,000 (equivalent to RM16,976,000) ("Year 3 Profit Target") and (ii) the Guarantor is in compliance in all material respects with the terms of his Management Agreement from 30 September 2015 to 30 June 2018, the Seller shall be entitled to the sum in cash equivalent to 30% of the amount by which the 2017/2018 PAT exceeds the Year 3 Profit Target from the Company, no later than 31 July 2018.

As at the acquisition date, the fair value of the contingent consideration was estimated at SGD2,016,000 (equivalent to RM6,224,000).

**33. ACQUISITIONS OF SUBSIDIARIES AND ACQUISITIONS OF ADDITIONAL INTERESTS IN SUBSIDIARIES (CONT'D)**

(a) Acquisition of a subsidiary - Victory Hill Exhibitions Pte. Ltd. ("VHE") (cont'd)

(iv) The effects of the acquisition of VHE on cash flows are as follows:

	RM'000
Total consideration for the business and assets acquired	61,395
Less: Non-cash consideration	(30,530)
Consideration settled in cash	30,865
Less: Cash and cash equivalents of subsidiary acquired	-
Net cash outflow of the Group on acquisition	30,865

(v) VHE has contributed the following results to the Group for the financial year from the acquisition date:

	RM'000
Revenue	1,980
Loss for the financial year	(1,162)

Had the business combination taken place at the beginning of the year, revenue of the Group would have been increased by RM1,980,000 and profit of the Group for the financial year would have been decreased by RM1,720,000.

(b) Acquisition of a subsidiary - Leaderonomics Good Monday Sdn. Bhd. ("LGM")

During the financial year ended 31 December 2015, Leaderonomics Sdn. Bhd., a subsidiary of the Company subscribed for 375,000 ordinary shares of RM1.00 each in LGM, a company incorporated in Malaysia for a cash consideration of RM375,000. This subscription represents 75% of equity interests in LGM. The remaining 125,000 ordinary shares were subscribed by the other investor for a cash consideration of RM125,000.

The acquisition of LGM did not have any material financial effect to the Group.

(c) Acquisition of additional interest in a subsidiary - Capital FM Sdn. Bhd. ("Capital FM")

On 12 May 2015, the Company increased its shareholding in Capital FM, a subsidiary of the Company incorporated in Malaysia, which is principally operating a wireless radio broadcasting station, from 80% to 100% for a cash consideration of RM1,500,000.

Details of net assets acquired are as follows:

	RM'000
Carrying amounts of net identifiable assets, liabilities and contingent liabilities, if any, of Capital FM as at the date of acquisition	7,285
Less: Carrying amounts of 80% equity interest held previously as a subsidiary	(5,828)
Identifiable net liabilities acquired at 20%	1,457
Excess of cost arising from additional interest acquired over the interest in the carrying amounts of the identifiable assets, liabilities and contingent liabilities, if any	43
Purchase consideration settled in cash	1,500

## 33. ACQUISITIONS OF SUBSIDIARIES AND ACQUISITIONS OF ADDITIONAL INTERESTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition of additional interest in a subsidiary - Li TV Holdings Limited ("Li TV")

On 16 October 2015, the Company increased its shareholding in Li TV, a subsidiary of the Company incorporated in Hong Kong, which is principally involved in investment holding, from 51% to 100% for a cash consideration of USD767,235 (equivalent to RM3,372,000).

Details of net liabilities acquired are as follows:

	RM'000
Carrying amounts of net identifiable assets, liabilities and contingent liabilities, if any, of Li TV as at the date of acquisition	(3,806)
Less: Carrying amounts of 51% equity interest held previously as a subsidiary	1,941
Identifiable net assets acquired at 49%	(1,865)
Excess of cost arising from additional interest acquired over the interest in the carrying amounts of the identifiable assets, liabilities and contingent liabilities, if any	5,237
Purchase consideration settled in cash	3,372

## 34. DISPOSAL OF A SUBSIDIARY

In the previous financial year, 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 was 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 previous financial year was as follows:

	Group RM'000	2014 Company RM'000
Cost of investment	-	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

**35. 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.

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 venture as disclosed in Note 12 to the financial statements;
- (iv) Companies in which certain Directors have financial interests; and
- (v) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

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

	Company	
	2015	2014
	RM'000	RM'000
<b>Subsidiaries</b>		
Advertisement commission paid/payable	705	915
Event fees paid/payable	195	91
Interest payable	-	2,621
Interest received/receivable	526	1,507
Jobbing income	-	1,507
Management fees	2,121	1,574
Online listing	-	300
Purchase of advertisement space	-	24
Purchase of airtime	19	-
Purchase of content	990	415
Purchase of ePaper subscription	5	7
Purchase of intangible assets	-	1
Purchase of property, plant and equipment	52	28
Purchase of online job posting	-	1,583
Rental income	29	56
Sales of advertisement space	1,318	1,863
Sales of property, plant and equipment	-	2
Training fees paid/payable	433	437

## 35. RELATED PARTIES DISCLOSURES (CONT'D)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Companies in which certain Directors have financial interests</b>				
Sales of advertisement space	21,859	14,950	21,675	14,758
Sales of services	159	38	-	-
Purchase of services	586	598	586	569

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

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 is disclosed in Notes 14 and 24 to the financial statements.

- (c) Compensation of key management personnel

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

The remuneration of the Directors during the financial year was as follows:

	Group and Company	
	2015 RM'000	2014 RM'000
Short term employee benefits	3,620	4,112
Contributions to defined contribution plans	355	359
	<b>3,975</b>	<b>4,471</b>

## 36. CONTINGENT LIABILITIES

- (a) 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.
- (b) Certain subsidiaries provided tender bonds and guarantees through banks to its landlord for office rental deposit amounting to RM2,461,000 (2014: RM3,500,000) and to its customers and suppliers for the tender of projects, guarantee on performance and usage of exhibition venues amounting to RM49,093,000 (2014: RM40,472,000). Certain tender bonds and guarantees are secured by bank guarantees amounting to RM377,000 (2014: RM789,000). Management is of the view that no losses are expected to arise pertaining to the aforesaid tender bonds and performance guarantees.



**37. COMMITMENTS**

## (a) Operating lease commitments

## (i) The Group as a lessee

The Group had entered into non-cancellable lease agreements resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The lease terms do not contain restrictions on the activities of the Group concerning dividends or additional debt. The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	Group	
	2015 RM'000	2014 RM'000
Not later than one (1) year	15,216	3,918
Later than one (1) year and not later than five (5) years	65,844	5,396
More than five (5) years	89,971	-
	<b>171,031</b>	<b>9,314</b>

## (ii) The Group as a lessor

The Group has entered into non-cancellable lease arrangements on properties for terms of between one (1) to three (3) years and renewable at the end of the lease period.

The Group has aggregate future minimum lease receivables as at the end of each reporting period as follows:

	Group	
	2015 RM'000	2014 RM'000
Not later than one (1) year	817	748
Later than one (1) year and not later than five (5) years	386	819
	<b>1,203</b>	<b>1,567</b>

## (b) Capital commitments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Authorised capital expenditure not provided for in the financial statements				
- contracted	55,935	12,103	46,677	2,703
- not contracted	20,059	6,991	20,059	6,991
	<b>75,994</b>	<b>19,094</b>	<b>66,736</b>	<b>9,694</b>
Analysed as follows:				
- Property, plant and equipment	72,374	9,694	66,736	9,694
- Investment	3,620	9,400	-	-
	<b>75,994</b>	<b>19,094</b>	<b>66,736</b>	<b>9,694</b>

## 38. OPERATING SEGMENTS

Star Media Group Berhad (formerly known as Star Publications (Malaysia) Berhad) and its subsidiaries in Malaysia are principally engaged in publication of print, digital and broadcasting. Two (2) 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, interactive exhibitions and entertainment outlets, including rental of reusable 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 of the operating segments 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.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

## 38. OPERATING SEGMENTS (CONT'D)

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

2015	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
<b>Revenue</b>							
Sales to external customers	646,696	48,580	301,141	12,019	10,584	-	1,019,020
Inter-segment sales	2,276	212	195	-	448	(3,131)	-
Total revenue	648,972	48,792	301,336	12,019	11,032	(3,131)	1,019,020
<b>Results</b>							
Segment results	162,289	(1,038)	8,595	(7,975)	(988)	-	160,883
Finance costs	(9,300)	-	(802)	(14)	(1,441)	-	(11,557)
Interest income	3,887	3	229	-	1,525	-	5,644
Investment income	15,006	-	-	-	52	-	15,058
Share of profit in associate	-	-	45	-	-	-	45
Profit before tax	171,882	(1,035)	8,067	(7,989)	(852)	-	170,073
Tax expense							(39,464)
Profit for the financial year							130,609
<b>Assets</b>							
Segment assets	1,275,202	76,189	322,120	12,444	34,966	-	1,720,921
Investment in associates	-	-	1,160	-	-	-	1,160
Total assets							1,722,081
<b>Liabilities</b>							
Segment liabilities	349,186	7,578	110,460	4,103	44,288	-	515,615
<b>Other segment information</b>							
Accretion of non-current other receivables	(3,150)	-	-	-	-	-	(3,150)
Capital expenditure	19,134	1,149	14,427	4,784	728	-	40,222
Depreciation	35,961	3,442	3,860	108	252	-	43,623
Amortisation	2,059	45	552	5,025	32	-	7,713
Non-cash expenses other than depreciation and amortisation	1,484	998	1,322	78	44	-	3,926

## 38. OPERATING SEGMENTS (CONT'D)

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

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
<b>Revenue</b>							
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
<b>Results</b>							
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
<b>Assets</b>							
Segment assets	1,315,731	89,642	208,360	10,944	45,492	-	1,670,169
Investment in a joint venture	143	-	-	-	-	-	143
Total assets							1,670,312
<b>Liabilities</b>							
Segment liabilities	358,587	8,901	81,822	6,192	38,483	-	493,985
<b>Other segment information</b>							
Accretion of non-current other receivables	(4,200)	-	-	-	-	-	(4,200)
Capital expenditure	10,313	1,833	3,594	4,599	64	-	20,403
Depreciation	36,578	3,522	3,401	100	194	-	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

**38. OPERATING SEGMENTS (CONT'D)**Geographical information

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

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

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

	Revenue		Segment assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	<b>770,563</b>	814,574	<b>1,437,022</b>	1,487,533
Singapore	<b>126,978</b>	87,512	<b>154,134</b>	76,355
Middle East	<b>59,962</b>	25,062	<b>80,909</b>	65,183
Others	<b>61,517</b>	86,589	<b>50,016</b>	41,241
	<b>1,019,020</b>	1,013,737	<b>1,722,081</b>	1,670,312

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

**39. FINANCIAL INSTRUMENTS****(a) Capital management**

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in financial year ended 31 December 2014.

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 and makes adjustments to address changes in 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 years ended 31 December 2015 and 31 December 2014.



## 39. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Capital management (cont'd)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loans and borrowings	272,858	269,333	200,000	200,001
Less: Cash and bank balances (Note 18)	(124,825)	(137,763)	(32,125)	(29,396)
Net debt	148,033	131,570	167,875	170,605
Total capital	1,145,275	1,142,520	1,098,444	1,105,186
Gearing ratio	12.9%	11.5%	15.3%	15.4%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2015.

The Group is not subject to any other externally imposed capital requirements.

### (b) Financial instruments

Group 2015	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
<b>Financial assets</b>				
Other investments	13	-	44,686	44,686
Trade and other receivables, net of prepayments	14	225,227	-	225,227
Derivative assets	17	-	164	164
Cash and bank balances	18	632,872	-	632,872
		858,099	44,850	902,949

Group 2015	Note	Other financial liabilities RM'000	Total RM'000
<b>Financial liabilities</b>			
Medium term notes	21	200,000	200,000
Borrowings	22	72,858	72,858
Trade and other payables, net of deferred income	24	170,582	170,582
		443,440	443,440

## 39. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Group 2014	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
<b>Financial assets</b>					
Other investments	13	-	42,104	5,000	47,104
Trade and other receivables, net of prepayments	14	255,243	-	-	255,243
Cash and bank balances	18	621,354	-	-	621,354
		876,597	42,104	5,000	923,701

Group 2014	Note	Other financial liabilities RM'000	Total RM'000
<b>Financial liabilities</b>			
Medium term notes	21	200,000	200,000
Borrowings	22	69,333	69,333
Trade and other payables, net of deferred income	24	151,770	151,770
		421,103	421,103

Company 2015	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Total RM'000
<b>Financial assets</b>				
Other investments	13	-	41,994	41,994
Trade and other receivables, net of prepayments	14	160,109	-	160,109
Derivative assets	17	-	164	164
Cash and bank balances	18	495,517	-	495,517
		655,626	42,158	697,784

Company 2015	Note	Other financial liabilities RM'000	Total RM'000
<b>Financial liabilities</b>			
Medium term notes	21	200,000	200,000
Trade and other payables, net of deferred income	24	88,348	88,348
		288,348	288,348

## 39. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial instruments (cont'd)

Company 2014	Note	Loans and receivables RM'000	Fair value through profit or loss RM'000	Held to maturity RM'000	Total RM'000
<b>Financial assets</b>					
Other investments	13	-	42,104	5,000	47,104
Trade and other receivables, net of prepayments	14	196,037	-	-	196,037
Cash and bank balances	18	462,679	-	-	462,679
		658,716	42,104	5,000	705,820

Company 2014	Note	Other financial liabilities RM'000	Total RM'000
<b>Financial liabilities</b>			
Medium term notes	21	200,000	200,000
Borrowings	22	1	1
Trade and other payables, net of deferred income	24	168,637	168,637
		368,638	368,638

### (c) 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 values and whose carrying amounts are a reasonable approximation of fair values

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, 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 each reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Obligations under hire purchase and lease creditors

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar type of lending, borrowings or leasing arrangements at the end of each reporting period.

- (iii) 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.

**39. FINANCIAL INSTRUMENTS (CONT'D)**

## (c) Methods and assumptions used to estimate fair values (cont'd)

## (iv) Other investments - quoted shares, investment funds and bonds

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

## (v) Other investments - unquoted shares

The fair values of these unquoted investments are estimated based on the price to book valuation model. Management obtained the industry price to book ratio from observable market data, discounted the price to book ratio for illiquidity, and multiplied the discounted price to book ratio with the book value per share of the investee to derive the estimated fair value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of each reporting period.

## (vi) Derivatives

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of the reporting period applied to a contract of similar amount and maturity profile.

## (d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair values of non-derivative liabilities, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

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 significant unobservable inputs used in determining the fair value measurements of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair value, are detailed in the table below.

<b>Financial instrument</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair values</b>
<u>Financial assets</u>		
Unquoted shares	Discounted industry price to book ratio (2015: 2.61; 2014: 2.51).	The higher the price to book ratio, the higher the fair value of the unquoted shares would be.
<u>Financial liabilities</u>		
Contingent considerations for business combinations	Estimated probabilities of achieving the profit targets as set out in the purchase agreements and discount rate.	The higher the estimated probabilities, the higher the fair value of the contingent considerations for business combinations would be; the higher the discount rate, the lower the fair value of the contingent considerations for business combinations would be.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### (d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group 2015	Fair values of financial instruments carried at fair value			Fair values of financial instruments not carried at fair value			Total fair values RM'000	Carrying amounts RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>Financial assets</b>								
<b>Financial assets at fair value through profit or loss</b>								
- Forward currency contracts	164	-	-	-	-	-	164	164
- Quoted investment funds	40,114	-	-	-	-	-	40,114	40,114
- Quoted equity investments	3,041	-	-	-	-	-	3,041	3,041
- Unquoted equity investment	-	-	1,531	-	-	-	1,531	1,531
	43,319	-	1,531	-	-	-	44,850	44,850
<b>Financial liabilities</b>								
<b>Other financial liabilities</b>								
- Bank loans	-	-	-	-	66,481	-	66,481	68,509
- Hire purchase and finance lease liabilities	-	-	-	-	3,788	-	3,788	4,349
- Contingent considerations for business combinations	-	-	9,844	-	-	-	9,844	9,844
	-	-	9,844	-	70,269	-	80,113	82,702
<b>Unrecognised financial liabilities</b>								
- Contingent liabilities	-	-	-	-	-	2,240	2,240	-
- Litigations	-	-	-	-	-	-	-	-



## 31 DECEMBER 2015 (CONT'D)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (cont'd).

(d) Fair value hierarchy (cont'd)

[illegible]

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

### 39. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (cont'd).

Company 2015	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value				Total fair values		Carrying amounts RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000	
<b>Financial assets</b>											
<b>Financial assets at fair value through profit or loss</b>											
- Forward currency contracts	164	-	-	164	-	-	-	-	164	164	
- Quoted investment funds	37,422	-	-	37,422	-	-	-	-	37,422	37,422	
- Quoted equity investments	3,041	-	-	3,041	-	-	-	-	3,041	3,041	
- Unquoted equity investment	-	-	1,531	1,531	-	-	-	-	1,531	1,531	
	40,627	-	1,531	42,158	-	-	-	-	42,158	42,158	
<b>Unrecognised financial liabilities</b>											
- Contingent liabilities	-	-	-	-	-	-	2,240	2,240	2,240	-	
- Litigations	-	-	-	-	-	-	-	-	-	-	

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015 (CONT'D)

## 39. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (cont'd).

[illegible]

## 39. FINANCIAL INSTRUMENTS (CONT'D)

(e) The following table shows a reconciliation of Level 3 fair values:

	Group and Company 2015 RM'000	2014 RM'000
<b>Financial assets at fair value through profit or loss</b>		
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
	Group 2015 RM'000	2014 RM'000
<b>Other financial liabilities</b>		
Balance at 1 January	9,175	13,499
Accretion	225	606
Acquisition of a subsidiary (Note 33(a))	6,224	-
Payment	(5,780)	(4,930)
Total gains or losses recognised in profit or loss	-	-
Balance at 31 December	9,844	9,175

(f) The following table shows the sensitivity analysis for the Level 3 fair value measurements:

	Group and Company 2015 RM'000	2014 RM'000
<b>Profit after tax</b>		
Price to book ratio		
- increase by 0.1	68	50
- decrease by 0.1	(68)	(50)

### Sensitivity analysis for contingent considerations for business combinations

Sensitivities for contingent considerations for business combinations are not disclosed as they are not material to the Group.

(g) The Group has an established control framework in respect to the measurement of fair values of financial instruments. The management has overall responsibility for overseeing all significant fair value measurements and reports directly to the Managing Director of the Group. The management regularly reviews significant unobservable inputs and valuation adjustments.

**40. 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 credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk.

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 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 risk. Information on the management of the related exposures is detailed below.

**(a) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM77,375,000 (2014: RM73,690,000) for the Group and RM374,000 (2014: RM409,000) 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.

During the financial year, the Group and the Company entered into foreign currency forward contracts to manage exposures to currency risk for payables, which are denominated in a currency other than the functional currencies of the Group and of the Company.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at 31 December 2015 are as follows:

	<b>Contractual amount in Foreign Currency (FC'000)</b>	<b>Equivalent amount in Ringgit Malaysia (RM'000)</b>	<b>Expiry date</b>
United States Dollar	924	3,906	29.1.2016 – 29.2.2016
Swiss Franc	1,725	7,304	29.2.2016 – 28.6.2016



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

### (a) Foreign currency risk (cont'd)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax of the Group to a reasonably possible change in the foreign currency exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2015		2014	
		Group RM'000 Profit net of tax	Company RM'000 Profit net of tax	Group RM'000 Profit net of tax	Company RM'000 Profit net of tax
SGD/RM	- strengthen by 3% (2014: 3%)	+1,402	+2,094	+469	+1,129
	- weaken by 3% (2014: 3%)	-1,402	-2,094	-469	-1,129
OMR/RM	- strengthen by 3% (2014: 3%)	+602	-	+250	-
	- weaken by 3% (2014: 3%)	-602	-	-250	-

Sensitivities of other foreign currencies are not disclosed as they are not material to the Group and the Company.

### (b) 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 executing its 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.

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.

Group 2015	Note	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities</b>					
Trade and other payables, net of deferred income	24	170,582	-	-	170,582
Borrowings		176,000	117,629	-	293,629
Total undiscounted financial liabilities		346,582	117,629	-	464,211

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

## (b) Liquidity and cash flow risk (cont'd)

Company 2015	Note	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities</b>					
Trade and other payables, net of deferred income	24	88,348	-	-	88,348
Borrowings		104,500	114,400	-	218,900
Total undiscounted financial liabilities		192,848	114,400	-	307,248

Group 2014	Note	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities</b>					
Trade and other payables, net of deferred income	24	148,375	3,395	-	151,770
Borrowings		65,161	232,371	-	297,532
Total undiscounted financial liabilities		213,536	235,766	-	449,302

Company 2014	Note	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities</b>					
Trade and other payables, net of deferred income	24	168,637	-	-	168,637
Borrowings		1	228,200	-	228,201
Total undiscounted financial liabilities		168,638	228,200	-	396,838

## (c) 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 of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposit and borrowings of the Group are exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate deposits and borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk. The Group borrows in the desired currencies at both fixed and floating rates of interest.

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

### (c) Interest rate risk (cont'd)

#### Sensitivity analysis for interest rate risk

At 31 December 2015, if interest rates at the date had been 50 basis points lower or higher, with all other variables held constant, profit net of tax for the year would increase or decrease by RM1,051,000 (2014: RM1,036,000) 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, profit net of tax for the year would increase or decrease by RM2,040,000 (2014: RM1,970,000) 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 2015 than in 2014 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.

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

Group	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>As at 31 December 2015</b>									
<b>Fixed rates</b>									
Deposits placed with									
licensed banks	18	4.16	508,047	-	-	-	-	-	508,047
Medium term notes	21	4.65	(100,000)	-	(100,000)	-	-	-	(200,000)
Hire purchase and finance lease liabilities	23	6.72	(1,352)	(1,373)	(1,111)	(479)	(34)	-	(4,349)
<b>Floating rate</b>									
Bank loan (secured)	22	3.05	(68,509)	-	-	-	-	-	(68,509)
<b>As at 31 December 2014</b>									
<b>Fixed rates</b>									
Deposits placed with									
licensed banks	18	3.81	483,591	-	-	-	-	-	483,591
Medium term notes	21	4.65	-	(100,000)	-	(100,000)	-	-	(200,000)
Hire purchase and finance lease liabilities	23	6.11	(1,228)	(1,305)	(1,328)	(1,069)	(443)	(27)	(5,400)
<b>Floating rate</b>									
Bank loans (secured)	22	2.11	(63,933)	-	-	-	-	-	(63,933)

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

## (c) 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):

Company	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>As at 31 December 2015</b>									
<b>Fixed rates</b>									
Amount owing by									
a subsidiary	14(d)	3.80	10,803	-	-	-	-	-	10,803
Deposits placed with									
licensed banks	18	4.25	463,392	-	-	-	-	-	463,392
Medium term notes	21	4.65	(100,000)	-	(100,000)	-	-	-	(200,000)
<b>As at 31 December 2014</b>									
<b>Fixed rates</b>									
Amount owing by									
subsidiaries	14(d)	3.42	14,971	-	-	-	-	-	14,971
Deposits placed with									
licensed banks	18	3.79	433,283	-	-	-	-	-	433,283
Medium term notes	21	4.65	-	(100,000)	-	(100,000)	-	-	(200,000)
Hire purchase creditors	23	-	(1)	-	-	-	-	-	(1)
<b>Floating rate</b>									
Amount owing to a									
subsidiary	24(b)	3.45	(76,705)	-	-	-	-	-	(76,705)

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

### (d) 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. The counter parties are reputable institutions and organisations. 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.

#### 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 trade receivables of the Group at the end of each reporting period are as follows:

	2015		Group		2014
	RM'000	% of total	RM'000	% of total	
<b>By country</b>					
Malaysia	85,063	64%	82,878	63%	
Singapore	18,718	14%	32,599	25%	
Middle East	14,289	11%	3,217	3%	
China	10,436	8%	2,327	2%	
Asia Pacific (including Australia)	2,962	2%	3,009	2%	
Hong Kong	1,808	1%	1,708	1%	
Europe	553	*	5,375	4%	
	<b>133,829</b>	<b>100%</b>	<b>131,113</b>	<b>100%</b>	
<b>By industry sectors</b>					
Print and digital	65,240	49%	69,188	53%	
Event, exhibition, interior and thematic	60,357	45%	51,723	39%	
Broadcasting	4,123	3%	6,553	5%	
Television channel	1,808	1%	1,708	1%	
Others	2,301	2%	1,941	2%	
	<b>133,829</b>	<b>100%</b>	<b>131,113</b>	<b>100%</b>	

\* Amount is less than 1%



**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(d) Credit risk (cont'd)**Credit risk concentration profile (cont'd)

The Company does not have any significant concentration of credit risk other than the amounts owing by its subsidiaries constituting 34% (2014: 17%) 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 that are neither past due nor impaired is disclosed in Note 14 to the financial statements. Cash deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions with good standing. The Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

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.

**(e) Market risk**

Market 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 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 neither has the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

**41. CHANGE OF NAME**

On 20 May 2015, the Company changed its name from Star Publications (Malaysia) Berhad to Star Media Group Berhad.

## 42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 12 May 2015, the Company entered into a Shares Sales and Purchase Agreement ("SPA") to purchase 1,000,000 ordinary shares of RM1.00 each representing 20% interest in Capital FM Sdn. Bhd. from ISY Holdings Sdn. Bhd. and Multimedia Distribution & Marketing Sdn. Bhd. for a cash consideration of RM1,500,000. The financial effect of the acquisition has been disclosed in Note 33(c) to the financial statements.
- (b) During the financial year ended 31 December 2015, Leaderonomics Sdn. Bhd., a subsidiary of the Company subscribed for 375,000 ordinary shares of RM1.00 each in Leaderonomics Good Monday Sdn. Bhd. ("LGM"), a company incorporated in Malaysia for a cash consideration of RM375,000. This subscription represents 75% of equity interests in LGM. The remaining 125,000 ordinary shares were subscribed by the other investor for a cash consideration of RM125,000. The acquisition did not have any material financial effect to the Group.
- (c) 701Panduan Sdn. Bhd., a 50-50 joint venture entity between the Company and SPH Interactive International Pte. Ltd., a wholly-owned subsidiary of Singapore Press Holdings Limited, had been dissolved on 29 August 2015 pursuant to member' voluntary liquidation proceedings commenced earlier. This dissolution has no material impact on the earnings or net assets of the Company for the financial year ended 31 December 2015.
- (d) On 23 September 2015, the Company announced the subscription results of the Rights Issue of its indirect subsidiary, Cityneon Holdings Limited. In addition to subscribing for its Rights entitlements, the Company subscribed for an additional 30,000,000 excess Rights Shares through Laviani Pte. Ltd., its wholly-owned subsidiary.
- (e) On 30 September 2015, an indirect subsidiary of the Company, Cityneon Holdings Limited ("Cityneon") acquired the entire issued and paid up capital of the Victory Hill Exhibitions Pte. Ltd. ("VHE") for a consideration of RM61,395,000. The acquisition represents 100% of the entire issued and paid up capital of VHE and it becomes a wholly-owned subsidiary of Cityneon. The financial effect of the acquisition has been disclosed in Note 33(a) to the financial statements.
- (f) On 16 October 2015, the Company entered into a Shares Sales and Purchase Agreement ("SPA") to purchase 3,266,667 ordinary shares of RM1.00 each representing 49% interest in Li TV Holdings Limited from Juita Viden International Limited for a cash consideration of USD767,235 (equivalent to RM3,372,000). The financial effect of the acquisition has been disclosed in Note 33(d) to the financial statements.

## 43. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits of Star Media Group Berhad (formerly known as Star Publications (Malaysia) Berhad) and its subsidiaries:				
- Realised	357,751	403,597	413,985	426,635
- Unrealised	(52,330)	(59,145)	(52,472)	(58,380)
	305,421	344,452	361,513	368,255
Total share of accumulated loss from associates:				
- Realised	(538)	(583)	-	-
Total share of accumulated losses from joint arrangement:				
- Realised	-	(18,188)	-	-
	304,883	325,681	361,513	368,255
Consolidation adjustments	71,323	54,984	-	-
Total retained earnings as at 31 December	376,206	380,665	361,513	368,255

# LIST OF PROPERTIES

AS AT 31 DECEMBER 2015

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation <sup>#</sup>
No.15-19, Jalan Masjid Kapitan Keling 10200 Pulau Pinang	Leasehold Expiry: 2055	23,372 sq. ft.	Office block and creative & events hub	Pre-war	880	1983 <sup>#</sup>
No. 26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,440 sq. ft.	2-storey semi-detached house	55	796	1995
Kawasan Perindustrian Bukit Minyak, Mukim 13 Daerah Seberang Perai 14100 Bukit Mertajam Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Newsprint warehouse	18	8,404	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	15	39,145	2001
No. 2, Jalan Astaka U8/88 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	405,979 sq. ft.  205,117 sq. ft.	Industrial land  Printing plant	N/A  15	22,495  32,292	1997  2001
202, Jalan Sultan Azlan Shah 11900 Bayan Lepas Pulau Pinang	Freehold	12,086 sq. metres  19,472 sq. metres	Industrial land  Regional office and printing plant	N/A  14	11,954  19,245	1997  2002
Lot 9, First Floor Block B, Lintas Square 88300 Luyang, Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft.	1st floor of an office block	17	185	1999
GM 4148 Lot 26198 (GM 613 Lot 6037) Mukim Bentong Pahang Darul Makmur	Freehold	3.632 hectare	Vacant residential land	N/A	2,096	1999

## LIST OF PROPERTIES (CONT'D)

AS AT 31 DECEMBER 2015

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
GM 4111 Lot 26192 (GM 611 Lot 3162) Mukim Bentong Pahang Darul Makmur	Freehold	0.3655 hectare	Vacant agriculture land	N/A	1,079	2000
GM 4147 Lot 26197 (GM 612 Lot 6036) Mukim Bentong Pahang Darul Makmur	Freehold	0.3676 hectare	Vacant residential land	N/A		
Lot No. 60 Mukim 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	1,316	2002
Unit A 4103 SOHO Xian Dai Cheng No. 88, Jian Guo Road Chao Yang District Beijing 100022 People's Republic of China	Leasehold Expiry: 2070	386.41 sq. metres	Top floor of a 42-storey building	12	1,877	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 of a 50-storey building	40	2,317	2005
Neighbourhood Commercial Centre GF to 3F, U6 Jalan P9E/1, Presint 9 62250 Putrajaya	Freehold	1,690.72 sq. metres	4-storey shop office	11	3,541	2004



# LIST OF PROPERTIES (CONT'D)

AS AT 31 DECEMBER 2015

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation <sup>#</sup>
No. 8 & 10 Lorong Chung Thye Phin 30250 Ipoh Perak Darul Ridzuan	Leasehold Expiry: 2893	1622.53 sq. metres  1,978 sq. metres	Commercial land  Office building	N/A  5	1,379  4,355	2005  2011
Klang Town Commercial Centre No. 35 Lebuhr Tapah Bandar Klang 41400 Klang Selangor Darul Ehsan	Freehold	445.93 sq. metres	3-storey shop office	9	714	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	7	2,452	2009

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2016

## 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	85	1.106	1,592	0.000
100 - 1,000	1,559	20.278	1,348,380	0.183
1,001 - 10,000	4,717	61.355	20,444,242	2.771
10,001 - 100,000	1,134	14.750	34,094,384	4.620
100,001 - 36,897,819	190	2.472	255,925,544	34.680
36,897,820 and above	3	0.039	426,142,260	57.746
<b>Sub Total</b>	<b>7,688</b>	<b>100.000</b>	<b>737,956,402</b>	<b>100.000</b>
Treasury Shares			607,200	
<b>Total</b>			<b>738,563,602</b>	<b>100.000</b>

## THIRTY LARGEST SHAREHOLDERS/DEPOSITORS AS AT 31 MARCH 2016

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

No.	Name	Number of shares held	% of shareholdings*
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Malaysian Chinese Association	313,315,760	42.457
2.	AmanahRaya Trustees Berhad Skim Amanah Saham Bumiputera	73,020,200	9.895
3.	Lembaga Tabung Haji	39,806,300	5.394
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	28,684,300	3.887
5.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	27,000,000	3.659
6.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	21,363,200	2.895
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An for AIA Bhd.	17,120,600	2.320
8.	AmanahRaya Trustees Berhad Amanah Saham Didik	13,973,700	1.894
9.	AMSEC Nominees (Tempatan) Sdn. Bhd. AMTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	13,736,300	1.861
10.	HSBC Nominees (Asing) Sdn. Bhd. BNP Paribas Secs SVS Jersey For Aberdeen Asian Income Fund Limited	11,060,200	1.499

No.	Name	Number of shares held	% of shareholdings*
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Aberdeen)	8,300,000	1.125
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.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Yayasan Hasanah (AUR-VCAM)	5,490,500	0.744
15.	AmanahRaya Trustees Berhad Public Islamic Opportunities Fund	5,425,800	0.735
16.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 2)	2,867,500	0.389
17.	AmanahRaya Trustees Berhad Public Islamic Sector Select Fund	2,845,500	0.386
18.	CIMB Commerce Trustee Berhad Public Focus Select Fund	2,801,500	0.380
19.	Lembaga Tabung Angkatan Tentera	2,748,500	0.372
20.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	2,607,000	0.353
21.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LSF)	2,575,500	0.349
22.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	2,380,500	0.323
23.	Koperasi Jayadiri Malaysia Berhad	2,334,000	0.316
24.	AmanahRaya Trustees Berhad AmanahRaya Saham Bumiputera 2	2,250,000	0.305
25.	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
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (VCAM Equity FD)	2,028,400	0.275
27.	Hong Leong Assurance Berhad As Beneficial Owner (Life PAR)	2,002,000	0.271
28.	AMSEC Nominees (Tempatan) Sdn. Bhd. AMTrustee Berhad for Pacific Dividend Fund (UT-PM-DIV)	1,920,900	0.260
29.	Huaren Holdings Sdn. Bhd.	1,893,600	0.257
30.	Citigroup Nominees (Asing) Sdn. Bhd. CBNY for DFA Emerging Markets Small CAP Series	1,842,700	0.250
<b>Total</b>		<b>629,305,660</b>	<b>85.278</b>

\* Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 31 March 2016.

**DIRECTORS' DIRECT AND INDIRECT SHAREHOLDINGS**

(As Per Register of Directors' Shareholdings as at 31 March 2016)

Name	No. of Shares Held Direct Interest	% of Issued Capital*	No. of Shares Held Deemed Interest	% of Issued Capital*
Dato' Fu Ah Kiow	-	-	-	-
Tan Sri Dato' Sri IR Kuan Peng Soon	-	-	-	-
Datuk Seri Wong Chun Wai	20,000	0.003	-	-
Mr Lee Siang Chin	-	-	-	-
Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
Datin Linda Ngiam Pick Ngoh	274,700	0.037	287,000 <sup>@</sup>	0.039
Dato' Yip Kum Fook	-	-	-	-
Mr Lew Weng Ho	-	-	-	-

**SUBSTANTIAL SHAREHOLDERS' DIRECT AND INDIRECT SHAREHOLDINGS**

(As Per Register of Substantial Shareholders as at 31 March 2016)

AMSEC Nominees (Tempatan) Sdn. Bhd. Malaysian Chinese Association	313,315,760	42.457	200,000 <sup>^</sup>	0.027
AmanahRaya Trustees Bhd. Skim Amanah Saham Bumiputera	73,020,200	9.895	-	-
Lembaga Tabung Haji	39,806,300	5.394	-	-
Employees Provident Fund Board	36,984,300 <sup>#</sup>	5.012	-	-

## Notes:

\* Excludes 607,200 Ordinary Shares of RM1.00 each bought back by the Company and held as treasury shares as at 31 March 2016.

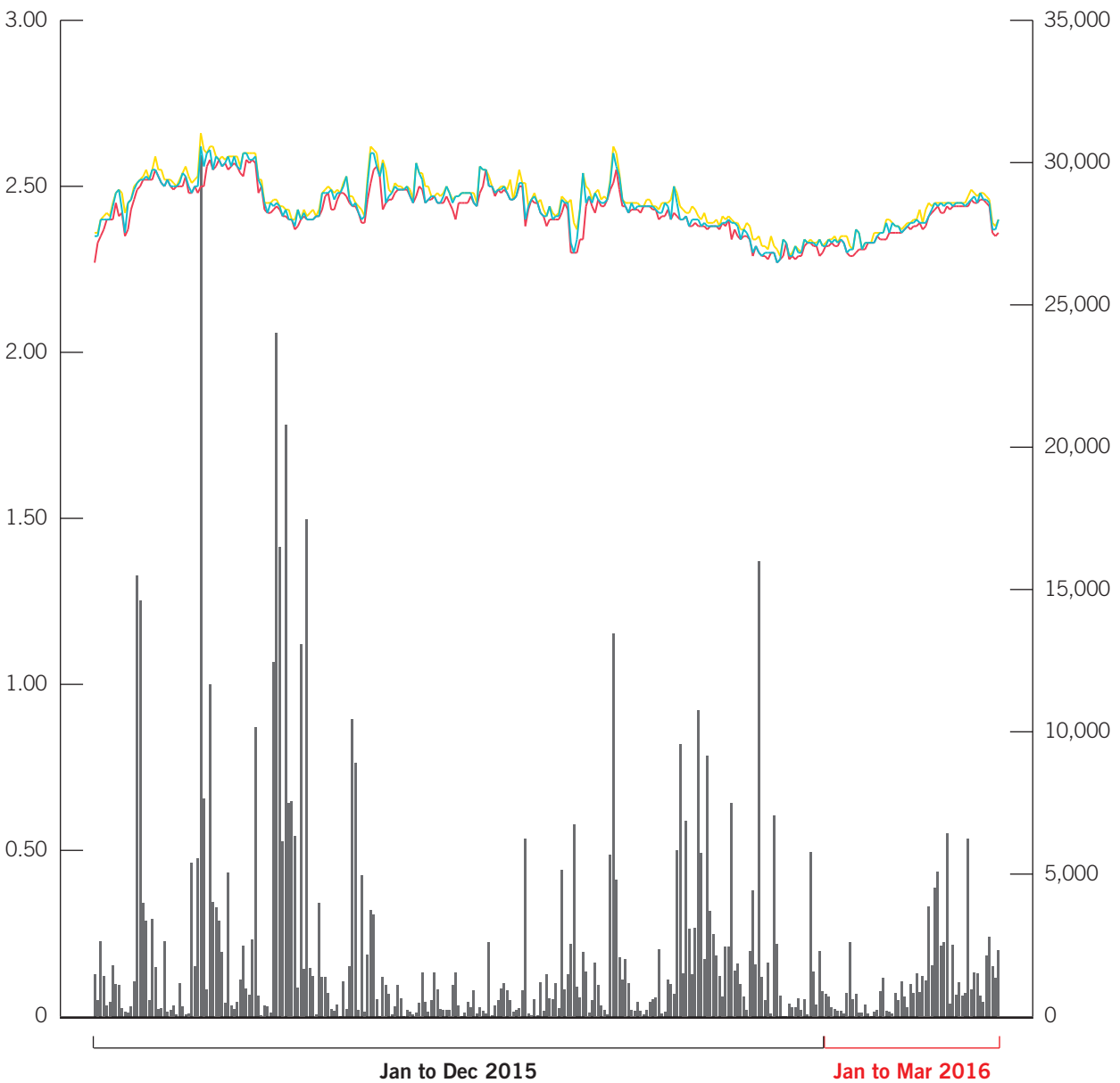
<sup>@</sup> Deemed interested in shares held by her family members by virtue of Section 122A of the Companies Act, 1965.

<sup>^</sup> Held via Huaren Management Sdn. Bhd.

<sup>#</sup> Held via Citigroup Nominees (Tempatan) Sdn. Bhd.-Employees Provident Fund Board ("EPF"), EPF and Citigroup Nominees (Tempatan) Sdn. Bhd.-EPF FD BD (Aberdeen).

# SHARE PERFORMANCE CHART

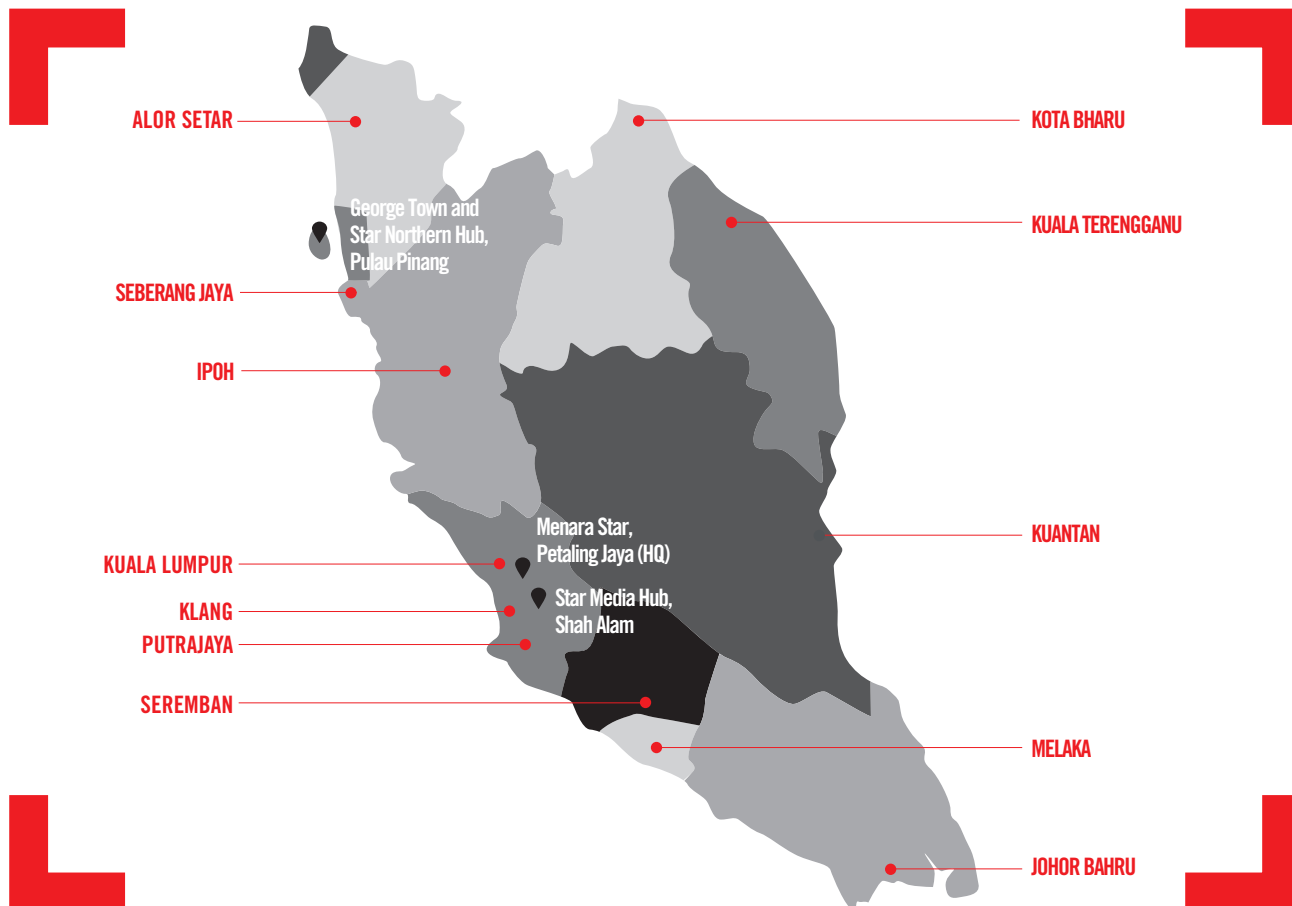
SHARE PRICES AND VOLUME TRADED FOR THE PERIOD  
1 JANUARY 2015 TO 31 MARCH 2016



— Volume Traded  
 — Closing  
 — High  
 — Low



# CORPORATE DIRECTORY



General Line:

**+603-7967 1388**

E-mail:

**corpcomm@thestar.com.my**

(General)

Advertising:

**+603-7966 8388**

Metro Classified Run-Ons:

**+603-7967 2020**

**investor-relations@thestar.com.my**

(IR contact)

Customer Hotline:

**1300 88 7827**

## CORPORATE HEADQUARTERS

### MENARA STAR

15 Jalan 16/11

46350 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603-7967 1388

Fax : +603-7954 1606

### STAR MEDIA HUB

2, Jalan Astaka U8/88

Section U8, Bukit Jelutong

40150 Shah Alam

Selangor Darul Ehsan, Malaysia

Tel : +603-7967 1388

Fax : +603-7845 4644

### STAR NORTHERN HUB

202, Jalan Sultan Azlan Shah

11900 Bayan Lepas

Pulau Pinang

Tel : +604-647 3388

Fax : +604-647 3371/647 3335

### PENINSULAR MALAYSIA

#### ALOR SETAR

2, 1st Floor, Jalan Stadium

05100 Alor Setar

Kedah Darul Aman

Tel : +604-731 1864/731 0855

Fax : +604-733 8767

#### GEORGE TOWN

15, Jalan Masjid Kapitan Keling

10200 Pulau Pinang

Tel : +604-647 3870

Fax : +604-261 1410

### IPOH

8-10, Lorong Chung Thye Phin

30250 Ipoh, Perak Darul Ridzuan

Tel : +605-253 0402

Fax : +605-253 9669

### JOHOR BAHRU

65 & 65A, Jalan Maju

Taman Maju Jaya

80400 Johor Bahru

Johor Darul Ta'zim

Tel : +607-331 5666/9745/2399/2433

Fax : +607-333 2435/3251

### KLANG

35-G, 35-1, 35-2, Lebuhr Tapah

Bandar Klang, 41400 Klang

Selangor Darul Ehsan

Tel : +603-3344 8978

Fax : +603-3344 4584

### KOTA BHARU

No. 2854-A, 1st Floor

Jalan Sultanah Zainab

15000 Kota Bharu

Kelantan Darul Naim

Tel : +609-747 8500

Fax : +609-747 8600

**KUALA TERENGGANU**

No. 137-E, 1st Floor  
Jalan Sultan Zainal Abidin  
20000 Kuala Terengganu  
Terengganu Darul Iman  
Tel : +609-622 3280  
Fax : +609-623 0025

**KUANTAN**

14, 1st Floor, Jalan Tun Ismail  
25000 Kuantan  
Pahang Darul Makmur  
Tel : +609-513 1323/7415/  
515 7949  
Fax : +609-514 6276

**MELAKA**

4A, 1st Floor, Jalan Hang Tuah  
75300 Melaka  
Tel : +606-282 1909/283 6405  
Fax : +606-283 5352

**PUTRAJAYA**

No.T.01-06, Jalan P9E/1,  
Precinct 9, 62250 W.P. Putrajaya  
Tel : +603-8889 5513/5512  
Fax : +603-8889 5516

**SEBERANG JAYA**

19A, 1st Floor, Jalan Todak 3  
Pusat Bandar Seberang Jaya  
(Bandar Sunway)  
13700 Seberang Jaya  
Pulau Pinang  
Tel : +604-398 8316/8318/8550  
Fax : +604-398 8546

**SEREMBAN**

49, Ground Floor, Jalan Yam Tuan  
70000 Seremban  
Negeri Sembilan Darul Khusus  
Tel : +606-762 6984/761 2992  
Fax : +606-761 2577

**SABAH & SARAWAK**

**KOTA KINABALU**  
Lot 9, 1st Floor  
Block B Lintas Square  
88300 Luyang Kota Kinabalu  
Sabah  
Tel : +6088-233 380/234 380  
Fax : +6088-237 380

**KUCHING**

First Floor, Sublot 7  
Song Plaza, Jalan Tun Jugah  
93350 Kuching, Sarawak  
Tel : +6082-457 888  
Fax : +6082-459 457

**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, Jian Guo Road  
Chao Yang District  
Beijing 100022  
People's Republic of 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\*

**STAR MEDIA GROUP BERHAD**  
**(FORMERLY KNOWN AS STAR PUBLICATIONS (MALAYSIA) BERHAD)**  
(Company No. 10894 D)  
(Incorporated in Malaysia)

CDS ACCOUNT NO.

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

I/C No./ID No/Company No. \_\_\_\_\_ (new) \_\_\_\_\_ (old)

of \_\_\_\_\_ (full address)

being a member of **STAR MEDIA GROUP BERHAD (FORMERLY KNOWN AS STAR PUBLICATIONS (MALAYSIA) BERHAD)**, hereby appoint

\_\_\_\_\_ (name of proxy as per NRIC, in capital letters) I/C No. \_\_\_\_\_ (new)

\_\_\_\_\_ (old) or failing him/her \_\_\_\_\_ (name of proxy as per NRIC, in capital letters)

I/C No. \_\_\_\_\_ (new) \_\_\_\_\_ (old) or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 44th Annual General Meeting of the Company to be held at the Cybertorium, Level 2, Menara Star, 15 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 23 May 2016 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate space as to how you wish your votes to be cast in respect of each Resolution. In the absence of specific directions, your proxy will vote or abstain from voting as he or she thinks fit.

NO	RESOLUTIONS		FOR	AGAINST
1.	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditors' Report thereon	Resolution 1		
2.	To re-elect Mr Lee Siang Chin who retires pursuant to Article 117 of the Company's Articles of Association	Resolution 2		
3.	To re-appoint Tan Sri Dato' Sri IR Kuan Peng Ching @ Kuan Peng Soon who is retiring pursuant to Section 129(6) of the Companies Act, 1965	Resolution 3		
4.	To re-appoint Dato' Dr Mohd Aminuddin bin Mohd Rouse, who is retiring pursuant to Section 129(6) of the Companies Act, 1965	Resolution 4		
5.	To approve payment of Director' fees	Resolution 5		
6.	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration	Resolution 6		
7.	Authority under Section 132D of the Companies Act, 1965 for Directors to issue shares	Resolution 7		
8.	Proposed renewal of authority for the Company to purchase its own ordinary shares	Resolution 8		
9.	Proposed renewal of existing Shareholders' Mandate and additional mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature	Resolution 9		

\* Only original Proxy Forms are valid. Photocopies are not acceptable. Any alteration to the Proxy Form must be initialed.

Number of shares held: \_\_\_\_\_

Signature/Common Seal of Member

Date: \_\_\_\_\_

**Notes:**

- Only a depositor whose name appears on the Record of Depositors as at 13 May 2016 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the said meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead provided that where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restrictions as to the qualification of the proxy.
- 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 duly authorised. Any alteration to the Form of Proxy must be initialed.
- 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 is 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 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 time appointed for holding the meeting or any adjournment thereof. The Form of Proxy can also be deposited in the ballot box provided at the reception counter, Ground Floor of Menara Star.

fold here

fold here



**Company Secretary**

**STAR MEDIA GROUP BERHAD** (10894-D)  
(FORMERLY KNOWN AS STAR PUBLICATIONS (MALAYSIA) BERHAD)  
Level 15, Menara Star  
15 Jalan 16/11, 46350 Petaling Jaya  
Selangor Darul Ehsan, Malaysia



starmediagroup.my

#### PRINT



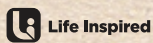
#### DIGITAL



#### RADIO



#### TELEVISION



#### EVENTS



#### TRAINING



#### OUT-OF-HOME



#### CORPORATE HEAD OFFICE

**Star Media Group Berhad** (10894-D)

(Formerly known as Star Publications (Malaysia) Berhad)

Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Tel : 03-7967 1388 Fax : 03-7954 6752