

## A HYPERVERSE OF

CONTENT >> CREATIVITY >> CONNECTIVITY





PRIME MINISTER'S CSR AWARDS 2010 SPECIAL AWARD FOR MEDIA REPORTING MEDIA PRIMA BERHAD



NATIONAL ANNUAL
CORPORATE REPORT AWARDS
(NACRA) 2010
RECIPIENT OF
CERTIFICATE OF MERIT
MEDIA PRIMA BERHAD
ANNUAL REPORT 2009



MINORITY SHAREHOLDERS
WATCHDOG GROUP (MSWG)
MALAYSIAN CORPORATE
GOVERNANCE INDEX 2010
INDUSTRY EXCELLENCE
INDEX 2010
MEDIA PRIMA BERHAD

# A HYPERVERSE OF CONTENT >> CREATIVITY >> CONNECTIVITY



Some people believe our universe is just one of many that together make up a hyperverse. Here at Media Prima, we believe in making our own hyperverse — a hyperverse of content, creativity and connectivity.

2010 saw us continue to redefine the way we do business. This has put contentcreation at the heart of our operations, and has seen us leverage both on our own media platforms and on those of other industry players to successfully engage audiences in Malaysia and beyond.

Meanwhile, we have continued to capitalise on technologies like satellite, cable, and digital broadcasting to enhance connectivity and develop irresistible new media. With the launch of TonTon, for example, users can now watch video content in a beautiful cinematic setting, customise their viewing experience, personalise their playlists and organise their video content however they like.

Our future lies in the constant development of new content and new media. It is these that will keep us relevant to our audiences and build the sustainability of our business to the benefit of all our stakeholders.



Media Prima operates
four (4) free-to-air
(FTA) television
channels - TV3, ntv7,
8TV and TV9. The four
stations collectively
command 47% of the
nationwide viewership
figures.

Source: Nielsen Audience Measurement



Media Prima owns one of Malaysia's largest publishing groups, with newspaper titles such as New Straits Times, Berita Harian and Harian Metro which is the country's no.1 newspaper.

Source: ABC Malaysia



Media Prima Outdoor division, which consists of Big Tree Outdoor, Kurnia Outdoor, UPD & The Right Channel commands a hefty 43% share of the outdoor market.







The Group currently owns three radio networks, Fly FM, Hot FM and more recently One FM.

Source: Nielsen Radio Audience Measurement



Media Prima's content creation
arm, Primeworks Studios has
grown to become the nation's
premier content production
company with a string of award
winning television programmes,
movies and documentaries.

The Group's young New
Media outfit, continues to
make inroads in the online
and mobile platforms, as it
strategically position ourselves
in the era of new technologies.

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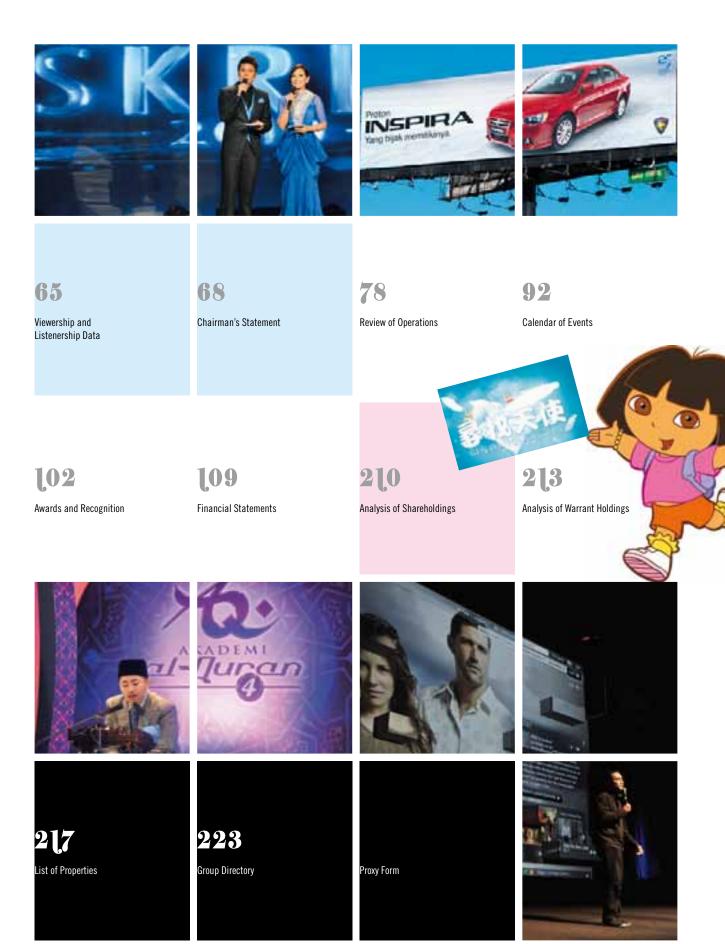
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## notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Tenth (10th) Annual General Meeting of MEDIA PRIMA BERHAD ("the Company") will be held at Topaz Ballroom (Level G), One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor Malaysia on Wednesday, 20 April 2011 at 3.00 p.m. for the following purposes:

#### **AGENDA**

 To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2010 and the Reports of the Directors and Auditors thereon.

(Resolution 1)

- To re-elect the following Directors who will retire in accordance with Articles 100 and 101 of the Company's Articles of Association and being eligible, have offered themselves for re-election:
  - (i) Shahril Ridza bin Ridzuan (Resolution 2)
  - (ii) Tan Sri Mohamed Jawhar (Resolution 3)
  - (iii) Dato' Gumuri bin Hussain (Resolution 4)
- To approve a final single-tier dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2010. (Resolution 5)
- To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2010. (Resolution 6)
- To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

#### **AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolution with or without modifications:

#### **ORDINARY RESOLUTION**

#### 6. Proposed Renewal of Share Buy-Back Authority

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised, to the extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company ("Shares") 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 and expedient in the interest of the Company provided that:

- (i) the aggregate number of Shares purchased pursuant to this resolution does not exceed 10 per cent of the total issued and paid-up share capital of the Company subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;
- (ii) an amount not exceeding the Company's retained profits and/or the share premium account at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-Back;
- (iii) upon completion of the purchase by the Company of its own Shares, the Directors of the Company are authorised to deal with the Shares so purchased in any of the following manner:
  - (a) cancel the Shares so purchased;
  - (b) retain the Shares so purchased as treasury shares and held by the Company; or
  - retain part of the Shares so purchased as treasury shares and cancel the remainder

AND THAT the authority conferred by this resolution will commence upon the passing of this resolution until:

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming 10th AGM, at which time it shall lapse, unless by an ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee 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 and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased Shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

#### (Resolution 8)

To transact any other business for which due notice shall have been received.

#### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN** that a final single-tier dividend of 6.0 sen per ordinary share for the financial year ended 31 December 2010, if approved by the shareholders at the 10th Annual General Meeting, will be paid on 13 July 2011 to Depositors whose names appear in the Record of Depositors at the close of business on 15 June 2011.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a. shares transferred into the Depositor's Securities Account before
   4.00 p.m. on 15 June 2011 in respect of transfers;
- shares deposited into the Depositor's Securities Account before 12.30 p.m. on 13 June 2011 in respect of shares exempted from mandatory deposit; and
- shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

#### BY ORDER OF THE BOARD

**TAN SAY CHOON** (MAICSA 7057849) Group Company Secretary

#### Petaling

Date: 28 March 2011

#### Notes

- 1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
- 3. The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- 4. Explanatory Notes on Special Business:
  - a. Resolution 8

Please refer to the Statement to Shareholders dated 28 March 2010 for further information.

MEDIA PRIMA BERHAD

## statement accompanying notice of annual general meeting

Directors who are standing for re-election and re-appointment at the Tenth (10th) Annual General Meeting of Media Prima Berhad are:

- (i) Shahril Ridza bin Ridzuan (Resolution 2)
- (ii) Tan Sri Mohamed Jawhar (Resolution 3)
- (iii) Dato' Gumuri bin Hussain (Resolution 4)

The details of the above Directors who are seeking re-election and re-appointment are set out in the "Board of Directors Profiles" which appear from pages 16 to 22 of the Annual Report.

The details of Directors' securities holdings in the Company are set out in the "Statement of Directors' Interests" which appear on page 210 of the Annual Report.

## corporate information

#### **BOARD OF DIRECTORS**

Datuk Johan bin Jaaffar

Chairman

Dato' Amrin bin Awaluddin

**Group Managing Director** 

Dato' Sri Ahmad Farid bin Ridzuan

Shahril Ridza bin Ridzuan

Tan Sri Lee Lam Thye\*

Tan Sri Mohamed Jawhar\*

Dato' Abdul Kadir bin Mohd Deen\*

Dato' Gumuri bin Hussain\*

Datuk Ahmad bin Abd Talib, JP

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor\*

#### **AUDIT COMMITTEE MEMBERS**

Chairman

Dato' Gumuri bin Hussain\*

Members

Tan Sri Lee Lam Thye\*
Tan Sri Mohamed Jawhar\*
Dato' Abdul Kadir bin Mohd Deen\*

#### **COMPANY SECRETARY**

Jessica Tan Say Choon (MAICSA 7057849)

#### REGISTERED OFFICE

Media Prima Berhad Sri Pentas No 3, Persiaran Bandar Utama Bandar Utama, 47800 Petaling Selangor Darul Ehsan

Tel : 03 7726 6333 Fax : 03 7728 0787

#### **REGISTRAR**

Symphony Share Registrars Sdn Bhd Level 6, Symphony House Block D13, Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan

Tel : 03 7841 8000 Fax : 03 7841 8151/8152

#### **AUDITORS**

PricewaterhouseCoopers Level 10, 1 Sentral Jalan Travers Kuala Lumpur Sentral P.O Box 10192 50706 Kuala Lumpur

Tel : 03 2173 1188 Fax : 03 2173 1288

#### **SOLICITORS**

M/s TH Liew & Partners Advocates & Solicitors Suite PH1, Penthouse Level Wisma UOA Pantai No 11, Jalan Pantai Jaya (Jalan4/83A) 59200 Kuala Lumpur

Tel: 03 2241 9000 Fax: 03 2241 9001 M/s Raja Riza & Associates Advocates & Solicitors Suite 30-09, Level 30 Wisma UOA II No 21, Jalan Pinang 50450 Kuala Lumpur Tel : 03 2711 8118

Messrs Wong & Partners Advocates & Solicitors Level 21, Suite 21 01 The Gardens South Tower Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur Tel: 03 2298 7888 Fax: 03 2282 2669

Fax: 03 2163 3464

#### **BANKER**

Malayan Banking Berhad No 2, Lorong Rahim Kajai 14 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel : 03 7727 9459 Fax : 03 7729 2770

#### MEDIA PRIMA BERHAD

Datuk Johan bin Jaaffar

Chairman

#### Dato' Amrin bin Awaluddin

**Group Managing Director** 

#### Dato' Sri Ahmad Farid bin Ridzuan

Group Chief Executive Officer, Television Networks of Media Prima Chief Executive Officer, International Business

#### Ahmad Izham bin Omar

Chief Operating Officer, Television Networks

#### **Mohamad Ariff bin Ibrahim**

**Group Chief Financial Officer** 

#### Datuk Ahmad bin Abd Talib, JP

Executive Director, News and Editorial Operations, Media Prima

#### Shaharudin Abd. Latif

Group Managing Editor, News & Current Affairs TV Networks / Radio Networks

#### Dato' Manja Ismail

Group Editor, News & Current Affairs 8TV, ntv7, TV9 and Radio News

<sup>\*</sup>Independent Non-Executive Director

<sup>\*</sup>Independent Non-Executive Director

## corporate information cont'd

#### **Datuk Kamal Khalid**

Chief Operating Officer, Shared Services, TV Networks Chief Operating Officer, Business Development & International, Media Prima

#### **Goh Hin San**

Advisor, GMD's office

#### Zuraidah Atan

Group Chief Technology Officer

#### Tuan Hj Zulkifli Hj Mohd Salleh

Group General Manager, Stakeholder Management, Media Prima

#### Shareen Ooi Bee Hong

Chief Marketing Officer Television Networks

#### Laili Hanim Mahmood

Group General Manager, Regulatory Affairs, Television Networks

#### Sere Mohammad Mohd Kasim

Group General Manager, Corporate Governance & Risk Management

#### Eliza Mohamed

Group General Manager, Group Corporate Communications

#### Tan Kwong Meng

Group General Manager, Engineering Television Networks

#### Abdul Rashid Malik Khushi Muhammad

Group General Manager, Airtime Management Group Television Networks

#### Nor Arzlin Redzuan

Group General Manager, Human Resources

#### Noor Alina Mohamad Faiz

Group General Manager, Legal & Secretarial

#### Jessica Tan Say Choon

**Group Company Secretary** 

#### Nadhirah Abdullah @ Dorothy Ak Empam

General Manager, Client Services Television Networks

#### Fatima Mustafa

General Manager, Client Services Television Networks

#### **Noor Amy Ismail**

General Manager, Creative Marketing, TV3 & TV9

#### Johan Mohamed Ishak

General Manager, Finance Account Management & Financial Reporting

#### **Ahmad Riza Mohd Saian**

General Manager, Finance Treasury & Financial Operations

#### Cheah Cheng Imm

General Manager, Acquisition & Content Management Television Networks

#### Marzina Ahmad

General Manager, Research Television Networks

#### Datin Nyarose Mohd Jaafar

General Manager, Management Services

#### Halim Mas'od

General Manager, Project Management Unit, Television Networks

#### **Shariman Zainal Abidin**

General Manager, Integration

#### Suhaimi Sheikh Muhamad

General Manager Group Chief Financial Officer's Office

#### Aiza Azreen Ahmad

General Manager, Business Process Integration & Transformation

#### Lam Swee Kim

Group General Manager Integrated Marketing

#### SISTEM TELEVISYEN MALAYSIA BERHAD

#### Nurul Aini Hj Abu Bakar

Group General Manager, TV3 & TV9

#### Datuk Mohd Ashraf Abdullah

Group Editor, TV3 News & Current Affairs

#### NATSEVEN TV SDN BHD

#### **Nur Airin Zainul**

Group General Manager, ntv7 & 8TV

#### Sofwan Mahmood

General Manager, News Operation ntv7

#### Emilya Suzana Ab. Rahim

Manager, Brand Management

#### Lai Cheah Yee

Manager, Chinese Brand

#### Teo Ee Ling

Manager, Business Development

#### Wong Ching Loon, Kelvin

Manager, Business Development

#### Rozitta Ramli

Manager, Public Relations

#### METROPOLITAN TV SDN BHD

#### Nur Airin Zainul

Group General Manager, ntv7 & 8TV

#### Sofwan Mahmood

General Manager, News Operation 8TV

#### **Goh Ling Ling**

Manager, Chinese Brand

#### Farah Shamsudin

Manager, Business Development

#### **Nawar Deress**

Manager, Promotions

#### CH-9 MEDIA SDN BHD

#### Nurul Aini Hj Abu Bakar

Group General Manager TV3 & TV9

#### Sherina Mohamad Nordin

Group General Manager, Brand Management Group TV9

#### Sofwan Mahmood

General Manager, News Operation TV9

#### PRIMEWORKS STUDIOS SDN BHD

Ahmad Izham bin Omar

Chief Executive Officer

Farisha Pawanteh

**Chief Operating Officer** 

**Azhar Borhan** 

General Manager

**Business Development** 

Lennon Lim Yen Leong

General Manager, Sports

Ahmad Kamaludin Zaba'ai

General Manager, Malay/English Magazine, Documentary

Tengku lesta Tengku Alaudin

General Manager, Film / Drama

General Manager, Studio Business &

**Corporate Affairs** 

Mas Ayu Ali

General Manager, Chinese Entertainment

Mohd Zulkifli Abd Jalil

General Manager, New Media

**Hemanathan Paul** 

Manager

Entertainment

Fadzliniza Zakaria

Manager

Entertainment

Kamarul Zamli Ramly

Manager

Entertainment

**Sunil Kumar** 

Manager

Entertainment

**Au Yong Yim San** 

Manager Artistes & Talent Management

**Douglas Khoo Hong Seng** 

**Creative Director** 

Lyn Nazlina

Manager, Marketing Communications

Azlinadia Nawawi

Manager, Operations & Traffic

SYNCHROSOUND STUDIO SDN BHD /
MAX-AIRPLAY SDN BHD / ONE FM SDN BHD

Sathiaseelan A/L Paul Thurai

Chief Operating Officer, Radio Networks

Zurina Othman

General Manager, Network Brand & Promotions

**Anida Mohd Tahrim** 

General Manager, Network Programme

**Mohd Akhmal Andak** 

Manager, Network Engineering

Elaine Lee Yee Lim

Manager, Network Sales

**ALT MEDIA SDN BHD** 

Lam Swee Kim

Group General Manager, Alt Media Sdn Bhd

**Paul Moss** 

General Manager, Platforms, Technology & New Business

BIG TREE OUTDOOR SON BHD

Mohammad Azlan bin Abdullah

Chief Executive Officer

Farnida Ngah

General Manager, Finance

**Mohamad Shukor Ariffin** 

General Manager, Business Development &

Corporate Planning

**Shirley Gan** 

General Manager, Human Resource &

Corporate Services

Jeff Cheah See Heong

General Manager - Big Ride & Big Buy

Mary Koh Mei Yoke

General Manager - Big Drive, Sales

KURNIA OUTDOOR SDN BHD

Paul James Sapwell

Chief Executive Officer

Alex Yew Yai Sung

Director of Development

Steven Koh Swee Han

**Director of Operations** 

**Wong Kum Seng** 

Financial Controller

TV3 NETWORKS LIMITED

Syed Ahmad Zaidi Syed Akil

Chief Executive Officer

Santokh Singh

Chief Operating Officer

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Dato' Anthony@Firdauz Bujang

Chief Executive Officer, NSTP

Dato' Zainul Arifin bin Mohamed Isa

Group Managing Editor, NSTP

Dato' Syed Nadzri Syed Harun

Group Editor, New Straits Times

Datuk Mior Kamarul Shahid

Group Editor, Berita Harian

Datuk Mustapa Omar

Group Editor, Harian Metro

Badariah Abd. Jalil

Director, Human Capital

Zafrul Shastri Hashim

Director, Corporate Affairs

Badrul Hisham Mahzan

Director of Advertising & Sales

**Abd Wahab Mohamed** 

Directors of Properties,

Admin & Branch Operation

Zuraida Mohamad

Director, Marketing

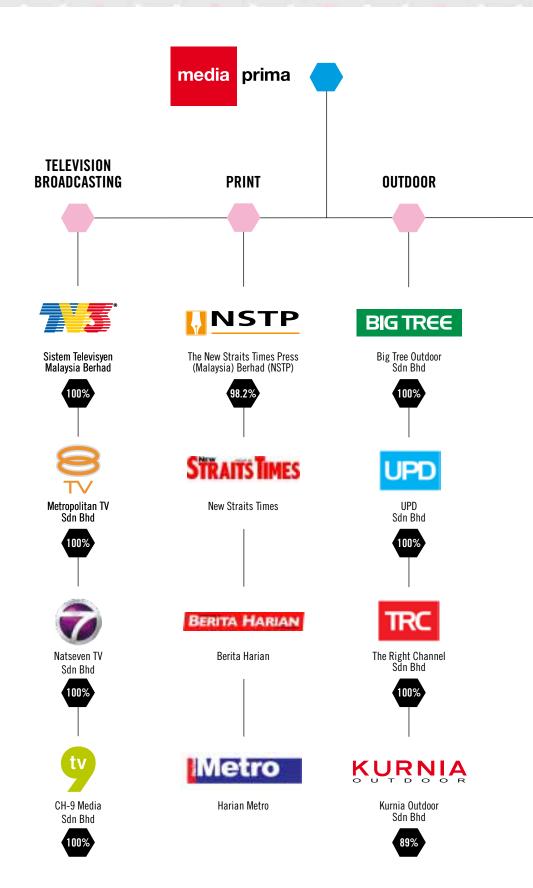
Dr. Rodaina Ibrahim

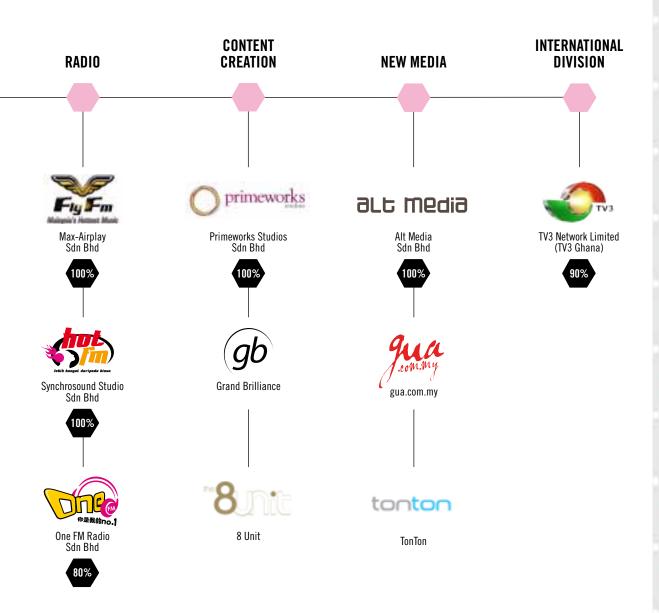
Director, Information Technology

**Eddie H'ng Seng Poh** 

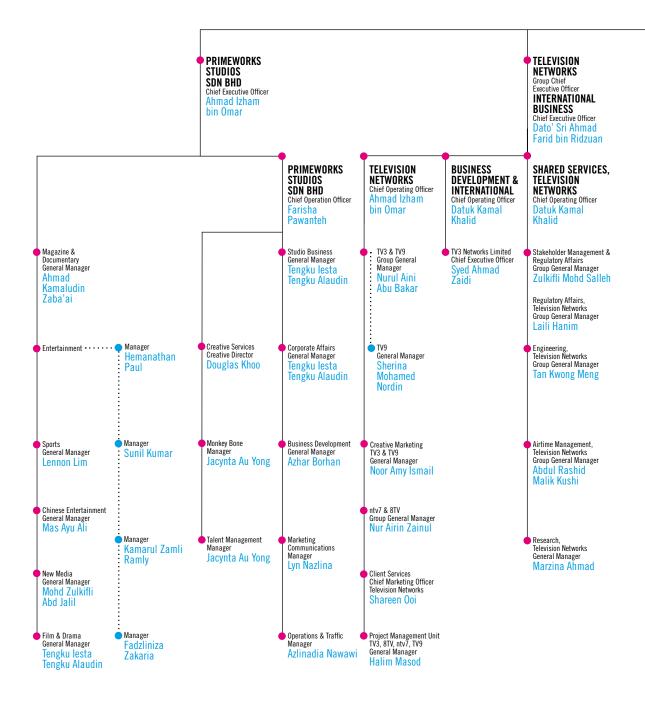
Director, Circulation

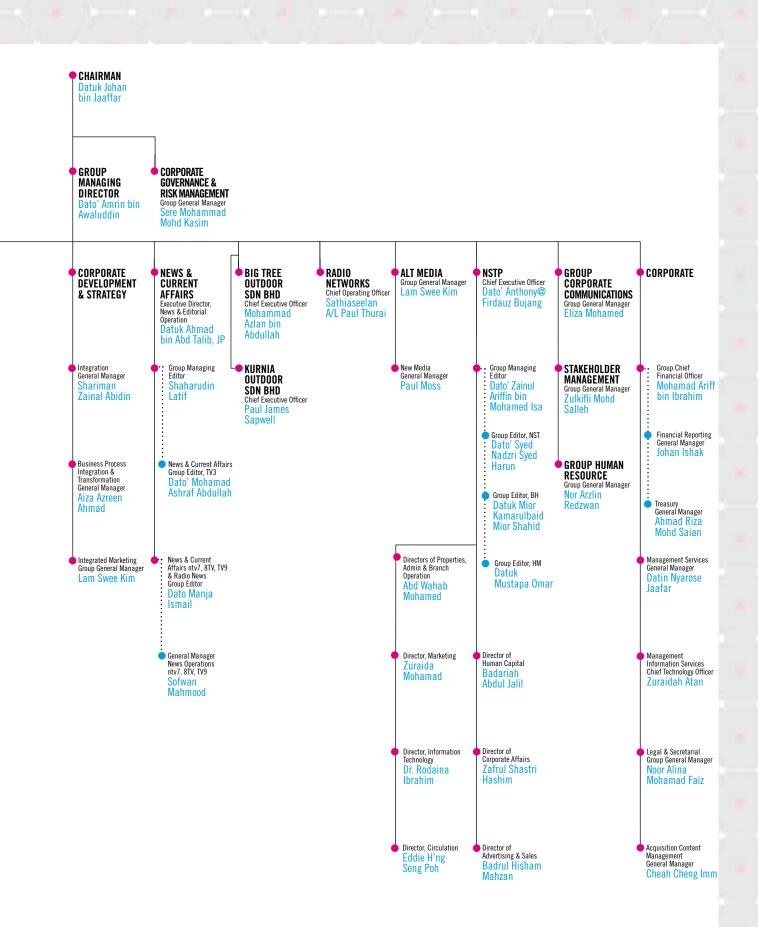
## corporate structure





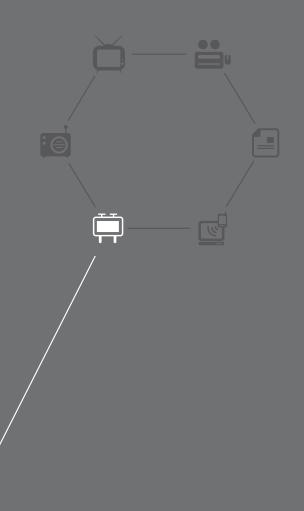
## organisational structure





# attract

Through compelling content and cutting-edge media, we are winning the battle for both audiences and advertising revenue.







## board of directors' profile





## board of directors' profile



Datuk Johan bin Jaaffar, aged 57, a Malaysian, is the Non-Independent Non-Executive Chairman of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 30 April 2009.

Datuk Johan also holds the Chairman position in Sistem Televisyen Malaysia Berhad (TV3), Metropolitan TV Sdn Bhd (8TV), Natseven TV Sdn Bhd (ntv7), Ch-9 Media Sdn Bhd (TV9), Max-Airplay Sdn Bhd (Fly FM), Synchrosound Studio Sdn Bhd (Hot FM), One FM Radio Sdn Bhd (One FM), Primeworks Studios Sdn Bhd (PWS), and Big Tree Outdoor Sdn Bhd (BTO). He has also served as an Independent Non-Executive Director of Sindora Berhad. He is currently a columnist for the New Straits Times.

Datuk Johan was the Chairman of the Board of Dewan Bahasa and Pustaka (DBP). He started his career with DBP in 1977. In 1998 he was appointed the Chief Editor of the DBP's magazine division. His last post was the Head of General Publishing Department of DBP. In November 1992, Datuk Johan joined Utusan Melayu (M) Berhad as the Group Chief Editor for six (6) years before leaving the company in July 1998. In 1995, he was appointed as one of the members of Malaysian Business Council.

When the government mooted the idea of the Multimedia Super Corridor, Datuk Johan was appointed to the Board of the Multimedia Development Council.

He was once a committee member of Yayasan Anak-anak Yatim Malaysia and a member of Jawatankuasa Diplomasi dan Hubungan Antarabangsa. He too was once a member of Majlis Perpaduan Negara. He was a member of the National Brains Trusts on National Education under the auspices of ISIS and the National Economic Action Committee (NEAC). He is also the Chairman of Sekolah Sri Nobel, a private school. He is one of the members of the National Information Technology Council (NITC).

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Dato' Amrin, aged 44, a Malaysian, is the Group Managing Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 1 September 2009.

Prior to that, he was the Group Advisor, Media Prima, Chief Executive Officer of TV3 and Chief Operating Officer of Media Prima. He holds a Bachelor of Business Administration (Honours) from Acadia University, Canada and Master of Business Administration (Finance) with Distinction from University of Hull, England.

He assumed the position of Chief Financial Officer of TV3 in November 2001 with responsibilities, which include amongst others, to implement the restructuring and turnaround of TV3 and The New Straits Times Press (Malaysia) Berhad ("NSTP"). Completion of the restructuring of these former media assets of Malaysian Resources Corporation Berhad ("MRCB") in September 2003 led to the incorporation of Media Prima and his appointment as its Group Chief Financial Officer. Dato' Amrin played a pivotal role in transforming Media Prima into an integrated media group with a solid financial position. He was involved in the acquisitions and restructurings of 8TV in 2003, ntv7, TV9, Hot FM and Fly FM in 2005 which contributed to the consolidation of the domestic TV industry and Media Prima's maiden expansion into radio.

During his tenure as the Chief Executive Officer of ntv7 (January 2006 - March 2008), Dato' Amrin led a team which formulates and implements

the financial and operational turnaround of the network, and the repositioning of the ntv7 brand.

He was involved in the successful acquisition of Big Tree Outdoor Sdn Bhd and the eventual consolidation of Media Prima's outdoor business through the acquisitions of UPD Sdn Bhd and The Right Channel Sdn Bhd.

He sits on the Board of Media Prima's subsidiaries amongst them NSTP, TV3, 8TV, ntv7, TV9, Hot FM, Fly FM, One FM, BTO, Kurnia Outdoor Sdn Bhd, PWS, Alt Media Sdn Bhd and TV3 Network Ltd Ghana.

Dato' Amrin is the Vice-Chairman of Content Forum Commission of Malaysia (CMCF), a Board Member of Kuala Lumpur Business Club (KLBC), Member of the Asian Television Awards Advisory Board, a Board Advisor of Pusat Sains Negara, a Trustee for MRCB Foundation and a Board Member of Yayasan Kelana Ehsan.

Prior to joining TV3 and Media Prima, Dato' Amrin was with Amanah Merchant Bank Berhad, the Senior General Manager overseeing group finance and group corporate affairs at Renong Berhad, and the Chief Operating Officer of Putera Capital Berhad.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Dato' Sri Ahmad Farid bin Ridzuan , aged 50, a Malaysian, is the Group Chief Executive Officer, Television Networks of Media Prima Berhad ("Media Prima") and Chief Executive Officer, International Business. He was appointed to the Board of Media Prima on 30 August 2006.

Before his appointment as the Group Chief Executive Officer, Television Networks of Media Prima on 1 January 2006, he was the Chief Executive Officer of TV3, a position he took up in April 2002. He currently sits on the Board of Sistem Televisyen Malaysia Berhad ("TV3"), Natseven TV Sdn Bhd ("ntv7"), Metropolitan TV Sdn Bhd ("8TV"), Ch-9 Media Sdn Bhd ("TV9"), Synchrosound Studio Sdn Bhd ("Hot FM"), Max-Airplay Sdn Bhd ("Fly FM"), Primeworks Studios Sdn Bhd, Big Events Sdn Bhd and several private limited companies.

Dato' Sri Farid was an Executive Director at Leo Burnett Advertising from 1998 to 2002. He has fifteen years of line and staff experience specialising in general management, strategic marketing, regional and international business development and corporate communications.

He holds a MBA in International Business from US International University, San Diego, California; and BBA Marketing (Major) and BBA Management (Minor) from Western Michigan University, Kalamazoo, Michigan, USA.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

Shahril Ridza bin Ridzuan

Shahril Ridza bin Ridzuan, aged 40, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 22 October 2001.

Shahril Ridza currently sits on the Boards of Malaysian Resources Corporation Berhad, Pengurusan Danaharta Nasional Berhad and The New Straits Times Press (Malaysia) Berhad ("NSTP"). He is also a member of the Remuneration Committee of Media Prima.

Shahril Ridza was a Legal Assistant at Zain & Co from 1994 to 1996. He then took up the position of Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd from 1997 to 1998. He subsequently joined Pengurusan Danaharta Nasional Berhad, where he served until 1999, when he became an Executive Director at SSR Associates Sdn Bhd until August 2001. He served as Group Managing Director, Malaysian Resources Corporation Berhad until November 2009 and is presently the Deputy Chief Executive Officer (Investment) at the Employees Provident Fund.

He holds a Bachelor of Civil Law (1st Class) from Oxford University, England, a Master of Arts (1st Class) from Cambridge University, England, and was called to the Malaysian Bar and the Bar of England & Wales.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima Berhad. He has had no convictions for any offences within the past ten years.

### board of directors' profile cont'd



Tan Sri Lee Lam Thye, aged 64, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 18 August 2003, and is a Member of the Nomination Committee, Audit Committee and Remuneration Committee of Media Prima.

Before retiring from politics in 1990, Tan Sri Lee served as the State Legislative Assemblyman for Bukit Nenas, Selangor, from 1969 to 1974 and from 1974 to 1990 as the Member of Parliament for Kuala Lumpur Bandar/Bukit Bintang.

He currently serves as the Chairman of the National Institute of Occupational Safety & Health under the Ministry of Human Resources. He is also the Chairman of the S P Setia Foundation and Vice-Chairman of the Malaysia Crime Prevention Foundation. He had previously served as a Member of the Special Royal Commission to enhance the operations and management of the Royal Malaysian Police as well as Chairman of the National Service Training Council. He was also a former Member of the Malaysian Human Rights Commission.

In the private sector, Tan Sri Lee serves as a non-executive director to a few companies, namely AMDB Berhad, MBM Resources Berhad, S P Setia Berhad, Metropolitan TV Sdn Bhd ("8TV") and One FM Radio Sdn Bhd. Tan Sri Lee is also a Professional Representative on the Board of Employees Provident Fund effective 1 June 2009.

Tan Sri Lee completed his secondary education at Saint Michael's Institution, Ipoh, Perak, and obtained his Senior Cambridge Certificate in 1965.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Tan Sri Mohamed Jawhar, aged 66, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 30 August 2006. He is also a member of the Audit Committee and the Nomination Committee of Media Prima.

His other positions include: Chairman, Institute of Strategic and International Studies (ISIS) Malaysia; Chairman, The New Straits Times Press (Malaysia) Berhad (NSTP); Board Member, Ekuiti National Berhad (Ekuinas); Board Member, International Institute of Advanced Islamic Studies (IAIS) Malaysia; Member, Advisory Board, Malaysian Anti-Corruption Commission (MACC); Member, Securities Commission Malaysia; Distinguished Fellow, Institute of Diplomacy and Foreign Relations (IDFR), Ministry of Foreign Affairs Malaysia; Member, National Unity Advisory Panel, Malaysia 2004-2009; Chairman, Malaysian National Committee, Pacific Economic Cooperation Council (2005-2009); Co-Chair, Network of East Asia Think-tanks (NEAT) 2005-2006; Co-Chair, Council for Security Cooperation in the Asia Pacific (CSCAP) 2006-2008; and Expert and Eminent Person, ASEAN Regional Forum (ARF).

He served with the government before he joined ISIS Malaysia as Deputy Director-General in 1990. He was appointed Director-General in March 1997 and Chairman and CEO in 2006 until January 2010.

His positions when in government included Director-General, Department of National Unity; Under-Secretary, Ministry of Home Affairs; Director (Analysis) Research Division Prime Minister's Department; and Principal Assistant Secretary, National Security Council. He also served as Counselor in the Malaysian Embassies in Indonesia and Thailand.

He holds a BA Hons. from University Malaya.

Other than disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Dato' Abdul Kadir bin Mohd Deen, aged 66, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 29 May 2007. He is also a Member of the Remuneration Committee, Nomination Committee and Audit Committee of Media Prima.

Dato' Abdul Kadir currently sits on the board of Sistem Televisyen Malaysia Berhad ("TV3"), Natseven TV Sdn Bhd ("ntv7") and presently is the Chairman of Eco Motive Sdn Bhd, Big Events Sdn Bhd, Alt Media Sdn Bhd and Kurnia Outdoor Sdn Bhd.

Dato' Abdul Kadir was with the Ministry of Foreign Affairs, for over 33 years and served in various overseas postings, including Second Secretary at the Embassy of Malaysia in Manila, Philippines, 1973-1976; and First Secretary at the Embassy of Malaysia, Kuwait, 1977-1979. He also served as the Minister Counselor Deputy Permanent Representative, Malaysian Permanent Mission to the United Nations, New York, 1984-1988. He was subsequently assigned as Deputy Chief of Mission, Embassy of Malaysia, Beijing, and People's Republic of China in March 1988 to December 1989.

In October 1990 he was reassigned as Minister, Deputy Chief of Mission, Embassy of Malaysia, Tokyo, Japan and thereafter in July 1992 he was appointed High Commissioner of Malaysia to Sri Lanka until December 1996. From January 1997 to February 1999 he was High Commissioner of Malaysia to South Africa. He was reassigned as Ambassador of Malaysia to the Federal Republic of Germany; concurrently accredited to Switzerland and Greece from 1999 to 2003, before his retirement from the Malaysian Diplomatic Service.

He holds a B.A. (Hons) from University of Lancaster, United Kingdom.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.



Dato' Gumuri, aged 64, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 29 April 2008. He is also the Chairman of the Audit Committee of Media Prima.

Dato' Gumuri is currently the Chairman of SME Bank and a member of the Securities Commission. He sits on the Board of Kurnia Setia Berhad, Metrod (Malaysia) Berhad and KUB Malaysia Berhad.

Dato' Gumuri was the former Managing Director and Chief Executive Officer of Penerbangan Malaysia Berhad from August 2002 to August 2004. Prior to this, he was a Senior Partner and Deputy Chairman of the Governance Board of PricewaterhouseCoopers Malaysia. He has also served as a Non-Executive Director of Bank Industri & Teknologi Malaysia Berhad, Malaysia Airline System Berhad and Sabah Bank Berhad.

Dato' Gumuri is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

## board of directors' profile cont'd



Datuk Ahmad bin Abd Talib, aged 59, a Malaysian, is the Executive Director, News and Editorial Operations, Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 1 July 2009.

Datuk Ahmad began his career in journalism starting as a reporter with the Economic Service of BERNAMA in 1972. He joined Financial Publications Sdn Bhd (a subsidiary of The New Straits Times Press (Malaysia) Berhad ("NSTP")) now known as Business Times (Malaysia) Sdn Bhd) in 1978. On 1 May 1985 he joined Berita Harian Sdn Bhd as the Economic News Editor.

In 1987, Datuk Ahmad became the Assistant Editor, Berita Harian before joining New Straits Times Sdn Bhd ("NSTSB") as News Editor New Straits Times ("NST")/New Sunday Time. Subsequently, in 1991, Dato' Ahmad was promoted as Chief News Editor, NST after which he became the Acting Editor, Business Times for a short period in 1992. Dato' Ahmad was promoted as the Associate Editor, NST in 1993 and in 1996, he became the Assistant Group Editor, NSTSB.

Datuk Ahmad was promoted to the position of Group Editor, NSTSB in 1998. He was later re-designated as Group General Manager, Communications and Editorial Marketing in 2004. Dato' Ahmad opted for early retirement from the NSTP Group in 2005.

Datuk Ahmad is currently a trustee for the Yayasan Salam and Yayasan Kabajikan Anak-Anak Yatim Malaysia. He is also the Chairman of the Publicity Committee of the Malaysian Red Crescent.

Datuk Ahmad was awarded The Knight-Bagehot Fellowship in Economics and Business Journalism, Columbia University, New York. He also participated in the NSK-CAJ Fellowship Programme, Japanese Newspaper Publishers and Editors Association.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, aged 43, a Malaysian, is an Independent Non-Executive Director of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 4 September 2009, and is the Chairman of the Nomination Committee and Remuneration Committee of Media Prima.

Dato' Fateh Iskandar attended the Malay College Kuala Kangsar (MCKK) and later obtained his law degree from the University of Queensland, Australia and subsequently went on to obtain his Masters in Business Administration.

He practiced law in Australia before coming back to Malaysia joining Kumpulan Perangsang Selangor Berhad (KPS) as its Corporate Manager. He left KPS to join Glomac in 1992 as General Manager for Business Development and climbed the way up the corporate ladder. In February 1997, he was appointed to the Board of Glomac Berhad.

Apart from sitting on several private limited companies, Dato' Fateh Iskandar also sits as a Board Member of Axis-Reits Managers Berhad, the first REITs company to be listed on Bursa Malaysia. He is also a Board Member of The New Straits Times Press (Malaysia) Berhad ("NSTP"), the publisher of the New Straits Times, Berita Harian and Harian Metro plus a string of magazines.

He is currently the Deputy President of The Real Estate & Housing Developer's Association (REHDA) Malaysia and Immediate Past Chairman of REHDA Selangor Branch. He is also a Director of MPI (Malaysian Property Incorporated), a partnership between Government and the private sector that was established to promote property investments among foreigners in Malaysia. He is the Deputy Chairman of the Malaysian Australian Business Council (MABC), Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) a body that promotes entrepreneurial ship amongst Malays in the country and the Treasurer of Selangor State UMNO.

With around 20 years of experience and involvement in the property development industry, his vast experiences and expertise has made him a very well-known and respected figure among his peers locally as well as on the international arena. He is frequently invited as a guest speaker in forums, seminars and conventions to offer his insights and views and to share his wealth of experiences, and has given talks both locally and internationally on the property market in Malaysia over the years.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

MEDIA PRIMA BERHAD

## senior management

## THE TRAIL-BLAZERS

Our Annual Report 2010 celebrates Media Prima's coming of age. We have reached a point where we have achieved a comprehensive, nationwide presence in all key media, both traditional and new, and are now taking a further giant leap forward. This step places content creation and delivery at the heart of our operations. It is this that will propel our future growth and ensure for the Group a sustainable future.

Alongside content, new media have a crucial role to play in out growth story. Therefore, as in 2010, in 2011 we promise that we will continue to enhance our content, creativity and connectivity so as to keep us relevant to our audiences and build sustainability.

Ours is a people business. Our ability to deliver on our promise rests on the courage, imagination, skills and sheer dedication of our people — and above all on those who lead and drive our business. For they are the people who translate vision into reality. They are the trail-blazers.

## senior management cont'd

The internet and mobile devices are radically changing the way content is being distributed: music and games, content for television and cinema, books and newspapers.

Just as we are beginning to grapple with the intricacies of Web 2.0, in comes Web 3.0. Manoj Sharma, an organisation strategist, in his keynote *A Brave New World of Web 3.0* suggests that Web 3.0 will deliver a *Totally Integrated World* cradle-to-grave experience of being always plugged into the net.

In a world where individuals are mobile and hyper-connected, the nature of content and the way it is distributed and consumed have evolved. In this new environment, traditional media owners and operators must continually adapt to remain relevant. Media Prima is no exception.

Last year saw the addition of The New Straits Time Press (Malaysia) Berhad into the enlarged Media Prima Group. Currently Media Prima is the largest — indeed the only — fully integrated media group in Malaysia, with leadership positions in all its respective markets. Our ventures into new markets and new products such as TonTon will further strengthen our presence in the ever-changing media landscape.

Our approach to content is no different between mainstream and digital media. Through content we inform, educate and entertain. For our partners and advertisers, content serves as the bridge to reach out to the public and consumers. Because of this, our content needs to be platform-agnostic, engaging, relevant and responsible.

This is the critical difference that gives us our business edge. Content and platforms are what drive our growth and sustainability. Ultimately, this is what our consumers and advertisers want.

Our business is after all about fulfilling desire – knowing what our consumers are looking for, and delivering content that satisfies their desire. That, and nothing less.



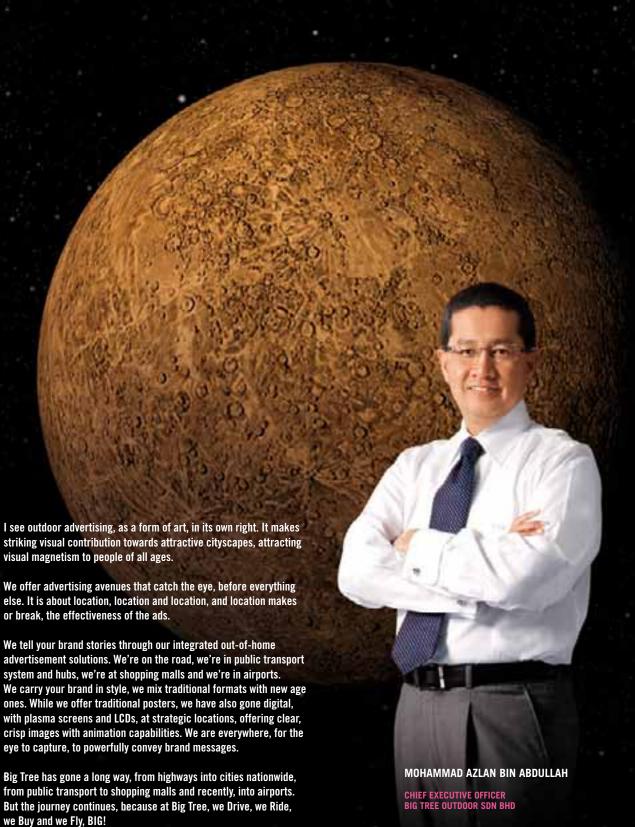
DATO' AMRIN BIN AWALUDDIN

GROUP MANAGING DIRECTOR MEDIA PRIMA BERHAD MEDIA PRIMA BERHAD



MEDIA PRIMA BERHAD

## senior management cont'd





## senior management cont'd

We did it. We actually did it. We initiated what we feel is not only an exciting new direction for Media Prima, but an exciting new direction for Malaysian broadcasting as a whole.

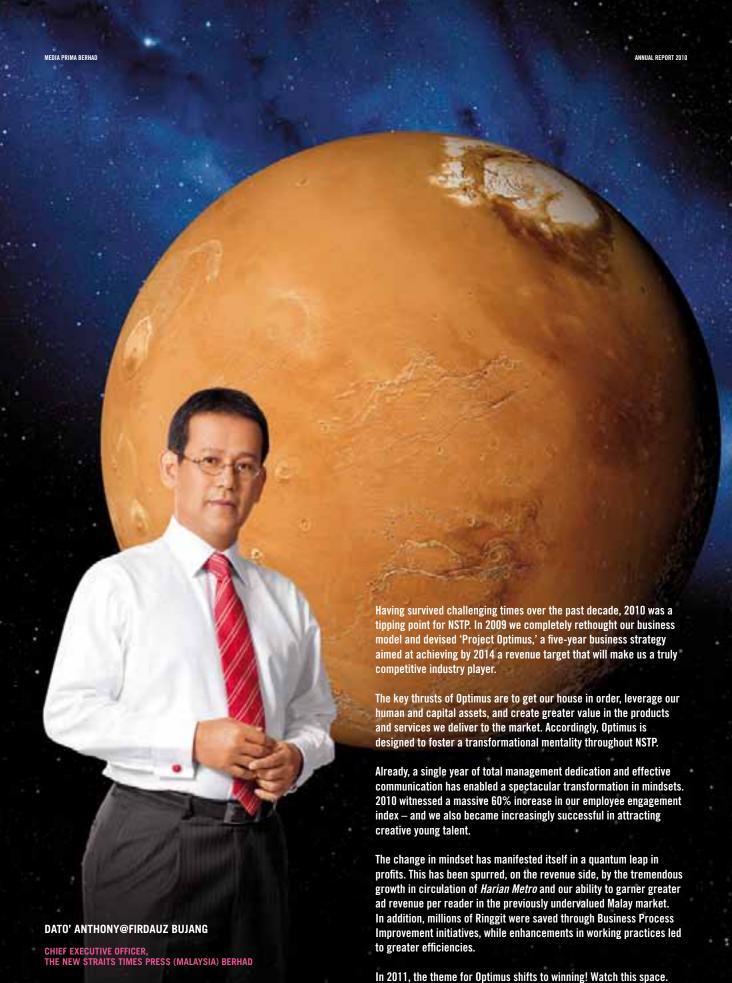
www.tonton.com.my is a landmark breakthrough for both the media and the advertising industries here in Malaysia. It promises an amazing, wonderful, interactive outlook for the media.

In TonTon, we have launched a world-class video portal with a huge content library. It's innovative, interactive and, most importantly, it's super-Intelligent. It knows you, recommending you videos that you'll enjoy, and showing you advertisements that are relevant specifically to you. Everyone will feel like TonTon was made just for them. It really is the new way to watch TV.

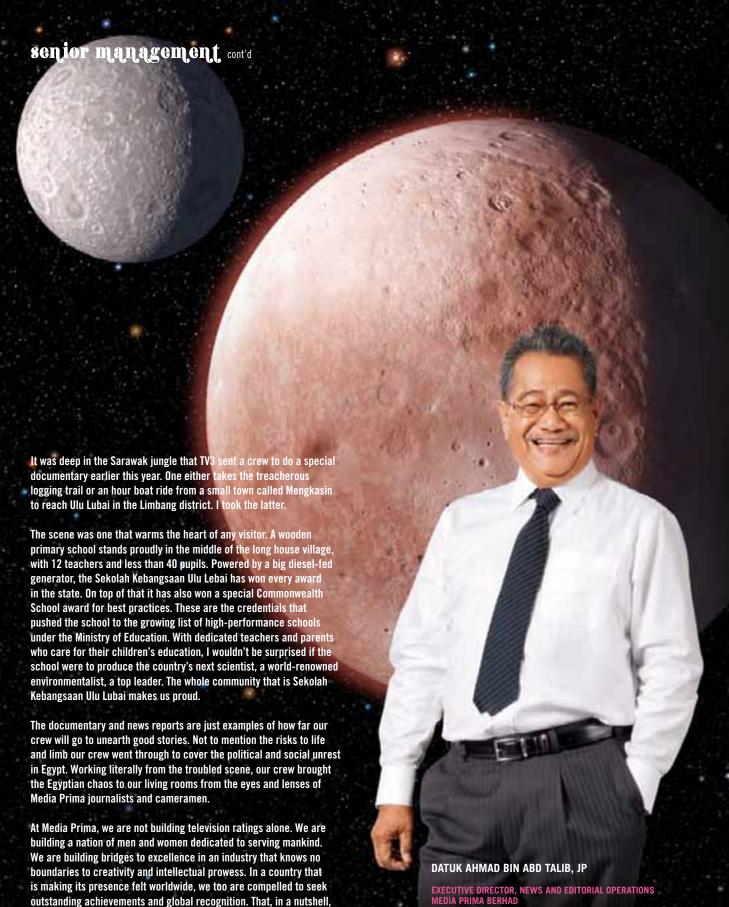
We're changing the landscape and we're changing the game. The future promises to be riveting!

#### AHMAD IZHAM BIN OMAR

CHIEF OPERATING OFFICER, TV NETWORKS CHIEF EXECUTIVE OFFICER, PRIMEWORKS STUDIOS SDN BHD



ii 2011, the theme for optimiles shirts to winning. Water this space



is our promise.

outstanding achievements and global recognition. That, in a nutshell,

One of the constants in the media business is change, largely driven by both technology and consumer consumption behaviour. The changing environment arising from new digital media represents a challenge to our traditional business, and yet for those willing to adept and embrace it, endless possibilities and opportunities.

Content creation, which we do daily on an extensive basis, should be platform agnostic. Content should be delivered in either the traditional print, or via the myriads of innovative web ideas as well as mobile internet and telephony services. Our consumers then shall choose their preferred medium when consuming our content.

Our pursuit in the new digital media will however not be at the expense of our print products, which continues to be the preferred medium for our readers as well as business partners. For the year under review, all three print products, the *New Straits Times, Berita Harian* and *Harian Metro*, have been profitable business units and shall serve to be the main business of the company for the foreseeable future.

There is now a continuous effort to improve and innovate to meet changing demands, even as we aggressively embark on the parallel journey to expand our footprint, reach and relevance in new media.

The New Straits Times continues to be a premium influential product, while Berita Harian is recognised as a newspaper anchored on knowledge and education. Harian Metro, which is currently the nation's number one newspaper, has struck a chord with the masses with its exciting editorial.

Our entrenched position in the Malay market - about 70 per cent of newspaper-reading Malays read our products - suggests that we are in a strong position to take advantage of the growing affluence and influence of the largest and fastest growing segment of the country's population.

The strategy thus far for the newspaper group is to embark aggressively in new media, and at the same time improve and revitalise print products into better and more premium assets. We are also looking at educating our business partners on the growing significance of the Malay advertising value.

## senior management cont'd

As the world evolves into more dynamic communities with social networking evolution, radio continues to reinvent itself and becomes even stronger interactive medium. Convergence has allowed radio to be playing a bigger role in people's life compared to years ago. We continue to create conversations and create great experience for our listeners.

Therefore our foray in social networking and converging that into radio's content and conversation is vital for our continued evolution of radio. Our soul of the station ( announcers ) will drive these new community with a lot of engaging and interactive visual presence apart from building amazing content on air.

We at Radio Networks have also developed our radio brands into not only delivering great content on air but also to cut across all platforms that's available. TonTon ( Alt Media's Baby ) has given life to Hot TV, Fly TV and One TV, therefore has elevated radio's presence in virtual world from more than your typical web exposure.

Just like my beloved club Liverpool FC, Radio will not walk alone in this very cluttered and competitive media world, but will continue to be loved by millions of Malaysians. YNWA:)

SATHIASEELAN A/L PAUL THURAI

CHIEF OPERATING OFFICER, RADIO NETWORKS

## statement on corporate governance

The Board of Directors (Board) of Media Prima Berhad (Media Prima) is committed towards achieving excellence in corporate governance and acknowledges that the prime responsibility for good corporate governance lies with the Board. The Board is fully committed to ensuring that the highest standards of corporate governance are practised throughout Media Prima and its subsidiaries (the Group) as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value and the performance of the Group.

The Malaysian Code on Corporate Governance (the Code) aims to set out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board reaffirms its supports to the Code and believes that good corporate governance is fundamental in achieving the Group's objectives. In order to ensure that the best interests of shareholders and other stakeholders are effectively served, the Board continues to play an active role in improving governance practices and monitors the development in corporate governance including the Code.

The commitment and efforts of the Board of Directors, management and employees of Media Prima in sustaining high standards of corporate governance and investor relations is proven by the following accolades received in 2010:

AWARD	AWARDED BY
Industry Excellence Award (Media)	Malaysian Corporate Governance Index 2010
The Certificate of Merit	The National Annual Corporate Report Awards (NACRA) 2010
Best media reporting for 'Aduan Rakyat' and 'Terubuk Masin untuk PM'	Anugerah CSR Perdana Menteri 2010
	×
Shortlisted as Top 25 for company above RM1 Billion market capitalisation	The StarBiz-ICR Malaysia Corporate Responsibility Awards

The Board of Media Prima is pleased to report to the shareholders, the Group's application of the Principles as set out in Part 1 of the Code and the extent to which the Group has complied with the Best Practices of the Code during the financial year ended 31 December 2010.

#### 1 THE BOARD OF DIRECTORS

The Group is led and controlled by an effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board knows and understands the Board's philosophy, principles, ethics, mission and vision and reflects this understanding on key issues throughout the year.

The Board delegates authority and vests accountability for the Group's day to day operations with a management team led by the Group Managing Director (GMD). The Board however assumes responsibility for the following in discharging its duty of stewardship of the Group:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the Group is being properly managed;
- Succession planning including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

#### 1.1 Board Composition and Balance

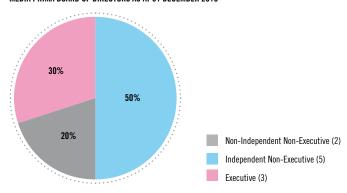
The Board is comprised of individuals who are highly experienced in their respective fields of endeavour and whose knowledge, background and judgement is invaluable in ensuring that the Group achieves the highest standards of performance, accountability and ethical behaviour as expected by Media Prima's stakeholders. The Board has a balanced composition of Executive and Non-Executive Directors (including Independent Directors) such that no individual or group of individuals can dominate the Board's decision-making powers and processes. The Independent Non - Executive Directors make up 50% of the Board membership.

## statement on corporate governance cont'd

As at 31 December 2010, the Board has ten (10) members, of which three (3) are Executive Directors and seven (7) are Non-Executive Directors. The Board believes the size of the Board is optimum given the scope and size of the Group, and sufficient to provide for effective debate and decision making with a substantial degree of independence from management. A brief description of the background of each director is set out on pages 16 to 22 of this Annual Report.

The role and responsibilities of the Chairman of the Board and the GMD are clear and distinct. The Chairman is responsible to conduct Board discussions effectively and the GMD is responsible of running the operation on a day to day basis. The current Chairman is not the previous GMD of the Company.

#### MEDIA PRIMA BOARD OF DIRECTORS AS AT 31 DECEMBER 2010



#### 1.2 Directors Roles and Responsibilities

The Independent Non-Executive Directors are of credibility, calibre and have the necessary skill and experience to carry sufficient weight in Board decisions. Although all the directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Executive Management are fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

There is clear division of roles and responsibilities between the Chairman of the Board and the GMD to ensure that there is a balance of power and authority and that no one individual has unfettered powers of decision. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct whilst the GMD has overall responsibility over the business units, organisational effectiveness and implementation of Board's policies, strategies and decisions. The Board, together with the GMD, has developed position descriptions for the Board and for the GMD, involving definition of the limits to management's responsibilities. The Board has also approved the corporate objectives for which the GMD is responsible to meet.

Dato' Fateh Iskandar is the Senior Independent Non-Executive Director, as prescribed in the Code, to whom concerns pertaining to the Group may be conveyed by shareholders and the public. The Senior Independent Non-Executive Director may be contacted at:

Tel: +(603) 78019012 Fax: +(603) 78065333

#### 1.3 Directors' Code of Ethics

Media Prima has established a Directors' Code of Ethics to guide the Board in discharging its oversight role effectively. The Code of Ethics requires all Directors to observe highly ethical business standards of honesty and integrity and to apply these values to all aspects of our business and professional practices and act in good faith in the best interests of Media Prima Group and its shareholders.

#### 1.4 Board Meetings

Board meetings are scheduled in advance at the beginning of the new financial year to enable directors to plan ahead and fit the year's meetings into their own schedules. The Board meets at least four (4) times a year, once every quarter and has a formal schedule of matters specifically reserved to it for decision, such as the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits. Additional meetings are held as and when required.

Key transactions submitted to and approved by the Board in 2010 include:

Business Plan	<ul> <li>Limits of Authority for Kurnia Outdoor Sdn Bhd on 24 February 2010.</li> <li>Proposed Digital Terrestrial TV Broadcasting and High Definition TV Project on 23 August 2010.</li> <li>Proposed acquisition of remaining 25% Equity interest in Max-Airplay Sdn Bhd 23 August 2010.</li> </ul>
Investor	Investor/Corporate Communications Plan 2010 on 24 February 2010.
Financial	<ul> <li>Revision to Group's budget for FYE2010 on 15 April 2010.</li> <li>Group wide tax planning initiative on 18 May 2010.</li> <li>Group's budget for FYE2011 on 27 October 2010.</li> </ul>
Employee Relations	<ul> <li>Proposed implementation of Employee Share Option Scheme on 24 February 2010 and 15 April 2010.</li> </ul>

Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues. Decisions are made on a consensus basis after due deliberation.

During the financial year ended 31 December 2010, the Board of Directors have met six (6) times as illustrated below:

	ATTENDANCE BY DIRECTORS			
DATE OF BOARD MEETING	EXECUTIVE DIRECTOR	NON- INDEPENDENT NON-EXECUTIVE DIRECTOR	INDEPENDENT Non-executive Director	TOTAL Numbers
24 February 2010 *	3	2	5	10
15 April 2010 **	3	1	4	8
18 May 2010 *	3	2	5	10
23 August 2010 *	3	2	5	10
27 October 2010 **	3	2	5	10
16 November 2010 *	3	2	3	8

<sup>\*</sup> Scheduled Meeting

<sup>\*\*</sup> Special Meeting

MFNIA PRIMA REPHAD

## statement on corporate governance cont'd

Details of the Board movement and attendance at meetings for financial year ended 31 December 2010 are set out below:

DIRECTORS	DESIGNATION	ATTENDANCE	PERCENTAGE
Datuk Johan bin Jaaffar (appointed on 1 September 2009)	Non-Independent Non-Executive Chairman	6 out of 6	100%
Dato' Amrin bin Awaluddin (appointed on 1 September 2009)	Group Managing Director	6 out of 6	100%
Tan Sri Mohamed Jawhar (appointed on 30 August 2006)	Independent Non-Executive Director	6 out of 6	100%
Dato' Gumuri bin Hussain (appointed on 29 April 2008)	Independent Non-Executive Director	5 out of 6	83%
Dato' Abdul Kadir bin Mohd Deen (appointed on 29 May 2007)	Independent Non-Executive Director	6 out of 6	100%
Tan Sri Lee Lam Thye (appointed on 18 August 2003)	Independent Non-Executive Director	6 out of 6	100%
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (appointed on 4 September 2009)	Independent Non-Executive Director	4 out of 6	67%
Shahril Ridza bin Ridzuan (appointed on 22 October 2001)	Non-Independent Non-Executive Director	5 out of 6	83%
Dato' Sri Ahmad Farid bin Ridzuan (appointed on 30 August 2006)	Executive Director	6 out of 6	100%
Datuk Ahmad bin Abd Talib, JP (appointed on 1 July 2009)	Executive Director	6 out of 6	100%

#### 1.5 Supply of Information

The Board and its Committees have full and unrestricted access to all information necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customer satisfaction, product and service quality, market share and market reaction.

The Board is provided with the agenda for every Board meeting together with comprehensive management reports, in advance for the Board's examination. The Chairman of the Board takes primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to directors on a timely basis. All directors have the right and duty to make further enquiries where they consider necessary. In most instances, members of Senior Management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board. The Board papers are circulated on a timely basis and more often than not, at least five (5) days in advance of the meeting to enable the members to have sufficient time to review the papers prepared. Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made.

The Board papers supplied to the directors include:

- Quarterly performance report of the Group;
- Corporate proposals;
- Group's Risk Profile Review;
- Information on operational and financial issues;

- Updates on Group's Corporate Social Responsibility
- Business forecasts and outlook; and
- Circular resolutions passed.

The Board recognises that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board. All directors have access to the advice and services of the Company Secretary and, whether as a full board or in their individual capacities, directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

#### 1.6 Appointments to the Board

The Code endorses, as good practice, a formal procedure for appointment to the Board, with a Nomination Committee making recommendations to the Board. The Nomination Committee of the Board of Media Prima scrutinises the sourcing and nomination of suitable candidates for appointment as a director in Media Prima and its subsidiary companies and to the Committees of the Board, before making recommendations to the Board for approval. This Committee will ensure the selection of Board members with the right experience, skill and expertise, thus strengthening the composition of the Board and contributing significantly to the effectiveness of the Board.

The Board through the Nomination Committee conducts an effective assessment to evaluate the effectiveness of the board as a whole, the committees of the board and the contribution of each individual director. The Board has also reviewed its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board. The Board also examines its size, with a view to determining the effective number of board members. The Board feels that the current size of the Board is appropriate.

#### 1.7 Re-election of Directors

In accordance with the Company's Articles of Association, newly-appointed directors shall hold office until the next AGM and shall then be eligible for re-election. The Articles also provide that all directors shall retire from office once at least in every three (3) years. Retiring directors may offer themselves for re-election.

#### 1.8 Directors' Training

The Board views directors' training as an integral element of the process of appointing new directors. The Nomination Committee ensures that there is an induction and education programme for new Board members.

The Mandatory Accreditation Programmes has been successfully completed by all the directors. The directors have also accumulated the Continuing Educational Programme (CEP) essential points according to Bursa Malaysia Securities Berhad's Listing Requirements. In 2010, all Directors attended relevant training programmes to enhance their skills and knowledge, and to keep abreast with the relevant changes in laws, regulations and business environment, in order to discharge their duties more effectively.

The Company had organised an in-house Board of Directors Workshop on 28 October 2010 which covered topics on challenges in regulating the New Media and strategic challenges facing the Media Industry. In addition to Board of Directors Workshop 2010, external trainings attended by the Board of Directors include:

Chennai 2010 Summit Trade Forum	21-24 January 2010
CLSA Asean Access Day	25-26 February 2010
Invest Malaysia 2010	30-31 March 2010
Euromoney — Portfolio Performance Measurement     & Attribution Analysis	20-22 September 2010
SC- Special Economics Roundtables	28 September 2010
• 63 <sup>rd</sup> World Congress Editor's Forum	6-8 October 2010
World Congress of Accountants 2010	
<ul> <li>The Regulatory Framework and Directors Duties 2010 "What Directors Need To Know"</li> </ul>	24 November 2010

MFNIÁ PRIMA REPHAN

## statement on corporate governance cont'd

#### 1.9 Board Committees

The Board delegates certain responsibilities to Board Committees, each with defined terms of reference and responsibilities and the Board receives reports of their proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board of Directors' approval. The Chairman of the various committees report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board of Directors' meetings.

The Board Committees in Media Prima are as follows:



The composition, responsibilities and activities of the respective Board Committees are described below:

#### AUDIT COMMITTEE (AC)

AC was established on 19 August 2003 and the members are:

MEMBER	ATTENDANCE	PERCENTAGE
Dato' Gumuri bin Hussain (Chairman)	4 out of 5 *	80%
Tan Sri Lee Lam Thye	5 out of 5	100%
Tan Sri Mohamed Jawhar	5 out of 5	100%
Dato' Abdul Kadir bin Mohd Deen	3 out of 5 ^	60%

<sup>\*</sup> On Medical Leave

#### Responsibilities & Activities

- Reviewing issues on accounting policies and presentation of external financial reporting; monitoring the mechanism of the internal audit function; and ensuring the professional relationship and objective is maintained with external auditors.
- The AC has full access to both internal and external auditors who, in turn, have access at all times to the Chairman of the Committee.
- The AC also reviews related party transactions for compliance with the Listing Requirements of the Bursa Securities and the
  appropriateness of such transactions before recommending it for Board approval.

A full Audit Committee report detailing its membership, its role and its activities during the year is set out on pages 54 to 59.

#### NOMINATION COMMITTEE (NC)

NC was established on 19 August 2003. The committee comprised of exclusively Independent Non-Executive Directors.

MEMBER	ATTENDANCE	PERCENTAGE
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Chairman)	1 out of 1	100%
Tan Sri Lee Lam Thye	1 out of 1	100%
Tan Sri Mohamed Jawhar	1 out of 1	100%
Dato' Abdul Kadir bin Mohd Deen	1 out of 1	100%

<sup>^</sup> Absent with Apologies (Abroad)

#### Responsibilities & Activities

- Assisting the Board in assessing its overall effectiveness.
- Assisting the Board in reviewing its required mix of skills and experience and other qualities Non-Executive Directors should bring to the Board.
- Identifying and recommending new nominees to the Board and committees of the Board of Media Prima and nominees to the Boards of its subsidiaries. All decisions and appointments are made by the respective Boards after considering the recommendation of the NC.
- The committee held one meeting on 24 February 2010.

#### REMUNERATION COMMITTEE (RC)

RC was established on 19 August 2003 and the members are:

MEMBER	ATTENDANCE	PERCENTAGE
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Chairman)	1 out of 1	100%
Dato' Abdul Kadir bin Mohd Deen	1 out of 1	100%
Tan Sri Lee Lam Thye	1 out of 1	100%
Shahril Ridza bin Ridzuan	1 out of 1	100%

#### Responsibilities & Activities

- To review any major changes in employee benefit structures throughout the Company or Group, and if fit recommend to the Board for adoption.
- To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include
  - Merit Increment;
  - Merit Bonus; and
  - Incentives (based on sales and others).
- To review and recommend to the Board improvements (if any) on designated executive managements' remuneration policy and package and any other issues relating to benefits of designated executive management on an annual basis.
- To establish a formal and transparent procedure for developing policy on the total individual remuneration package of Executive Directors, GMD and other designated executive management including, where appropriate, bonuses, incentives and share options.
- To design the remuneration package for all Executive Directors, GMD and other designated executive management with the aim of attracting
  and retaining high-calibre designated executive management who will deliver success for shareholders and high standards of service for
  customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board
  for approval.
- To determine and recommend to the Board the framework or broad policy for the remuneration packages of the CEO, the Chairman of the Company and such other members of the Executive Management as it is designated to consider.
- The committee held one meeting on 24 February 2010.

#### EMPLOYEES' SHARE OPTION SCHEME (ESOS) COMMITTEE

ESOS Committee was established on 27 August 2004.

MEMBER	ATTENDANCE	PERCENTAGE
Dato' Abdul Kadir bin Mohd Deen (Chairman)	1 out of 1	100%
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	1 out of 1	100%
Dato' Amrin bin Awaluddin	1 out of 1	100%

#### **Responsibilities & Activities**

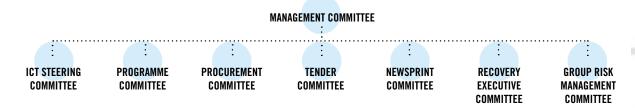
- To implement and administer the Media Prima Employees' Share Option Scheme in accordance with the by-laws approved by the shareholders of the Company.
- To determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.
- The Committee held one meeting on 24 June 2010.

## statement on corporate governance cont'd

#### 1.10 Management Committee

The Company has established various Management Committees such as the Programme Committee, Group Risk Management Committee, Tender Committee, ICT Steering Committee and Recovery Executive Committee to help the Board fulfill its responsibilities. The terms of reference of these committees are clearly defined in terms of their roles and functions.

Programme Committee and Tender Committee have been established to ensure transparency and integrity of the procurement process. The main responsibility of the Group Risk Management Committee is to oversee the Group's corporate governance and risk management activities while the ICT Steering Committee reviews the status of implementation of ICT initiatives within the Group. The Recovery Executive Committee is tasked to manage business recovery and business operations in the event of a disaster or major disruption to operations.



#### 2 DIRECTORS' REMUNERATION

#### 2.1 Level and Make-up of Remuneration

The Group has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration package of individual director. The objective of the Group's policy on Directors' remuneration is to attract and retain directors of the calibre needed to manage the Group successfully.

The Remuneration Committee (RC), comprising of wholly Non-Executive Directors, carries out the annual review of the overall remuneration policy for Executive Director's whereupon recommendations are submitted to the Board for approval. The remuneration for Executive Directors is structured to link rewards to corporate and individual performance. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of these Directors.

An annual review by the RC record the performance of the GMD and Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with Media Prima's corporate objectives, culture and strategy.

The determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as directors), is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting (AGM). Each individual Director abstains from the Boards decision on his own remuneration.

#### 2.2 Remuneration Package

The remuneration package of the Executive Directors is as follows:

#### (i) Basic Salary

Remuneration Committee recommended the basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies.

#### (ii) Performance Bonus

The Group operates a performance based bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the achievement of KPI set for the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

#### (iii) Fixed Allowance

The Board has in 2004, approved for the payment of fixed allowances to Executive Directors. This is in lieu of the contractual bonus that was in the original contract of the individual director but has since been collapsed.

#### (iv) Employees' Share Option Scheme (ESOS)

Executive Directors are also eligible to participate in the employees' share option scheme designed to incentivise employees of the Group.

#### (v) Benefits-in-kind

Executive Directors are entitled to other customary benefits such as private medical cover, leave passage, car and driver.

The Non-Executive Directors are paid annual fees and attendance allowance for each Board meeting that they attend. The Chairman is entitled to leave passage, contributions to Employee Provident Fund, a car and driver benefits.

Directors of Media Prima are also covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in discharging their duties while holding office as Directors of the Group. The directors contribute partially toward the payment of the insurance premium.

#### 2.3 Directors' Remuneration

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2010, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:

#### **Non-Executive Directors**

NAME OF DIRECTORS	FEES (MEDIA PRIMA) RM	FEES (Subsidiaries) RM	BONUS RM	EPF RM	OTHER REMUNERATION / Emoluments RM	BENEFITS In Kind RM	TOTAL RM
Dato' Johan bin Jaaffar	75,000	178,000	20,277	60,240	348,000	66,112	747,629
Tan Sri Mohamed Jawhar	60,000	70,000	30,832		26,500	21,250	208,582
Dato' Gumuri bin Hussain	60,000		7,500		12,250		79,750
Dato' Abdul Kadir bin Mohd Deen	60,000	63,267	7,500		29,000		159,767
Tan Sri Lee Lam Thye	60,000	45,000	7,500		21,750		134,250
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	60,000	40,000	6,818		16,250		123,068
Shahril Ridza bin Ridzuan	60,000	31,959	17,500	<u>-</u>	14,500		123,959
Total	435,000	428,226	97,927	60,240	468,250	87,362	1,577,005

#### **Executive Directors**

NAME OF DIRECTORS	SALARY RM	BONUS RM	EPF RM	OTHER REMU- Neration/ Emoluments RM	BENEFITS- In-Kind RM	ESOS RM	TOTAL RM
Dato' Amrin bin Awaluddin	667,680	211,268	186,123	149,250	44,217	266,500	1,525,038
Dato' Sri Ahmad Farid bin Ridzuan	698,592	166,332	183,251	148,000	37,209	205,000	1,438,384
Datuk Ahmad bin Abd Talib, JP	499,200	78,246	123,923	70,042	12,000	164,000	947,411
Total	1,865,472	455,846	493,297	367,292	93,426	635,500	3,910,833

MFNIA PRIMA REPHAD

### statement on corporate governance cont'd

The remuneration paid to Directors during the year, analysed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia Listing Requirements is as follows:

	NUMBER OF DIRECTORS		
REMUNERATION BAND	EXECUTIVE	NON-EXECUTIVE	
RM50,001 - RM100,000	-	1	
RM100,001 — RM150,000	-	3	
RM150,001 — RM200,000	-	1	
RM200,001 — RM250,000	-	1	
RM700,001 — RM750,000	-	1	
RM900,001 - RM950,000	-	1	
RM1,400,001 — RM1,450,000	1	-	
	1	-	
Total	2	8	

Note: Successive bands of RM50,000 are not shown entirely as they are not represented.

#### 3 SHAREHOLDERS

#### 3.1 Investor Relations

The Group maintains regular and proactive communication with its shareholders and investors, with the provision of clear, comprehensive and timely information through a number of readily accessible channels such as Corporate Website, Annual General Meeting and Investors Briefing. The Group's Investor Relations policy provides guidelines on the activities that enable the Board and management to communicate effectively with the investment and financial community and other stakeholders including institutional investors, fund managers, analyst, bankers as well as research and stock- broking houses and the general public in relation to dissemination of timely, relevant and accurate information pertaining to the Group.

The Board actively demonstrates and promotes the value of transparency, accountability and integrity in all its dealings with its investors to ensure their utmost satisfaction. The Board also maintains lines of communication with major shareholders to take heed of their concerns over matters relating to corporate governance and Group performance. The Corporate Finance Unit, under direct supervision of the Group Chief Financial Officer, is tasked with the responsibility to respond to all queries raised by the investors and analysts. This is particularly important to shareholders and investors for informed investment decision making. Corporate Communication Department is responsible to coordinate investor relation events and activities which include organising Annual General Meeting, Investors Briefing, Investors Road Shows, press conferences and also providing a platform other than the Annual General Meeting for stakeholders to meet the Management and be updated on Group's performance and initiatives.

The Corporate Finance Department has conducted an Investor Relations survey in January 2011 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relation activities for 2010. Selected analysts, shareholders and fund managers were invited to participate in the survey. Media Prima has scored an overall score of 3.92 points (out of a maximum of 5 points) which exceeds Media Prima's KPI target rating of 3.75.

In line with good corporate governance practice, an annual programme to meet both local and international investment communities including the institutional fund managers and analysts is set at the beginning of the year. In order to maintain good rapport and relationship with local and foreign investors and fund managers, the GMD and the Group Chief Financial Officer attended presentations and meetings in London, Singapore and a series of local road shows during the year. Briefings with investors and analysts were also held after each quarter's announcement of financial results to the Bursa Securities to explain the Group's strategy, performance and major developments and to address other matters affecting shareholders' interest.

In addition to corporate announcements, events and developments are notified to the public via press releases and/or by holding press conferences after general meetings or corporate events. These provide shareholders, analysts and the investing public with an overview of the Group's performance and operations. All press releases are consistent with announcement to Bursa Securities.

All corporate and financial information, such as the Annual Report of Media Prima Berhad, the quarterly announcements of the financial results of the Group, and other announcements and disclosures are available on Media Prima's website, www.mediaprima.com.my

#### 3.2 Annual General Meeting

In addition to the quarterly financial reports and annual report, the Annual General Meeting (AGM) remains the principal opportunity for communication with shareholders and investors. At each AGM, the Board presents the progress and performance of the Group. The Chairman and/or the GMD presents a comprehensive review of the financial performance of the Group and value created for shareholders. This review is supported by visual and graphical presentation of key points and financial figures.

Shareholders are encouraged to participate in the proceedings and ask questions on the operations of the Group and on any resolutions being proposed. The Chairman will provide sufficient time for shareholders' questions on matters pertaining to the Group's performance and seek to explain concerns raised by the shareholders.

Each item of ordinary and special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for separate issues at the meeting and the Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. A press conference is held immediately after the AGM where the Chairman and the GMD will clarify and explain issues raised by the media and analysts. An analyst briefing will also be held in the course of providing all stakeholders with the latest updates on the Group.

#### 3.3 Websites

The Group strives to ensure that shareholders and the general public would have an easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information via its website <a href="https://www.mediaprima.com.my">www.mediaprima.com.my</a>. Each of Media Prima's subsidiaries also has established their own website as a source of information and excellent medium of communication to shareholders and the general public.

#### 3.4 Whistle-Blowing Policy

To strengthen corporate governance practices across the Group, a whistle-blowing policy was introduced to provide employees with accessible avenue to report suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the following personal:

NAME	DESIGNATION	RELATED MATTERS	TELEPHONE	FACSIMILE
Mohamad Ariff bin Ibrahim	Group Chief Financial Officer	Financial/ Investor relations	603 7726 6508	603 7726 1502
Noor Alina Mohd Faiz	Group General Manager, Legal & Secretarial	Legal	603 7729 1345	603 7728 0787
Sere Mohammad Mohd Kasim	Group General Manager, Corporate Governance and Risk Management	Internal Control and Risk Management	603 7726 0897	603 7727 0719
Zulkifli Mohd Salleh	Group General Manager, Stakeholder Management	Stakeholder Management	603 7726 0884	603 7729 2444
Laili Hanim Mahmood	Group General Manager, Regulatory Affairs	Regulatory Compliance	603 7726 0891	603 7726 1246

## statement on corporate governance cont'd

#### 4 ACCOUNTABILITY AND AUDIT

#### 4.1 Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects in presenting the annual financial statements and quarterly announcement to shareholders. This also applies to other price-sensitive public reports and reports to regulators.

On behalf of the Board, the Audit Committee scrutinises the financial and statutory compliance aspects of the audited financial statements and adherence to internal policies and procedures prior to full deliberation at the Board level. The Board ensures the integrity of the Company's financial reporting and fully recognises that accountability in financial disclosure forms an integral part of good corporate governance practices.

#### 4.2 Internal Control

The Board acknowledges its responsibility for the Group's system of internal controls and risk management and for reviewing the effectiveness of these systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

The Statement on Internal Control furnished on page 46 of the Annual Report provides an overview on the state of internal controls within the Group.

#### 4.3 Corporate Responsibility

The Company's Corporate Responsibility initiatives are explained in our Corporate Responsibility Report 2010.

#### 4.4 Relationship with the Auditors

The Board has established a formal, transparent and appropriate relationship with the Group's auditors, both external and internal, through the Audit Committee.

The Audit Committee meets regularly with the external and internal auditors to discuss and review the audit plan, quarterly financial results, annual financial statements and the audit findings, and makes recommendations for the Board's approval. During the year, the Board has also met with the external and internal auditors without the presence of the Executive Directors and management.

A report by the Audit Committee and its Terms of Reference are provided on pages 54 to 59 of the Annual Report.

#### 5 STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for the preparation of the financial statements of the Company and the Group. The Board has ensured that the financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards.

It is also the Board's responsibility to ensure that accounting records are accurate, within margins of reasonableness, which discloses the financial position of the Company and the Group in a true and fair manner.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 8 March 2011.

# additional compliance information

#### 1. SHARE BUY-BACKS FOR THE FINANCIAL YEAR

There was no share buy-back exercise carried out by the Company for the financial year ended 31 December 2010.

#### 2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The status on Options, Warrants and Convertible Securities issued during the financial year are:

- (a) The Company's Employees' Share Options Scheme ("ESOS") approved by the shareholders on 7 January 2005 which was effective on 11 January 2005 for a period of five (5) years, had expired on 10 January 2010 ("2005 Media Prima ESOS").
- (b) The shareholders had, on 15 April 2010, approved a new ESOS which became effective on 14 May 2010 for a period of five (5) years ("2010 Media Prima ESOS"). As at 31 December 2010, three (3) offers have been made to employees whereby:
  - under the First Offer, a total of 79,810,181 ordinary shares of RM1.00 each were offered at an Option Price of RM1.80 to eligible employees;
  - (ii) under the Second Offer, a total of 2,321,911 ordinary shares of RM1.00 each were offered at an option price of RM1.98 to eligible employees;
  - (iii) under the Third Offer, a total of 479,690 ordinary shares of RM1.00 each were offered at an option price of RM2.10 to eligible employees.

There was an issuance of 8,804,081 ordinary shares of RM1.00 each pursuant to the exercise of the 2005 Media Prima ESOS and 2010 Media Prima ESOS at the exercise price of RM1.46, RM1.55, RM1.80 and RM1.98 per share.

(c) There was an issuance of 416,013 ordinary shares of RM1.00 each arising from the exercise of 416,013 Media Prima Warrants 2009/2014 at an exercise price of RM1.80 per Warrant.

#### 3. DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any Depository Receipt Programme in the financial year ended 31 December 2010.

#### 4. NON-AUDIT FEES

The amount of Non-Audit Fees paid/payable to external auditors and their affiliated companies by the Company for the financial year ended 31 December 2010 is set out in Note 6 to the financial statements for the financial year ended 31 December 2010 on page 145 of this Annual Report.

#### 5. PROFIT GUARANTEE

There were no profit guarantee received by the Company during the financial year ended 31 December 2010.

#### 6. LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on pages 217 to 222 of this Annual Report. There was no revaluation of properties of the Company during the financial year other than as a result of impairment assessment whereby the carrying values of certain properties were reduced for impairment losses and others were increased to reflect recoverable amounts. This has been disclosed in Note 25 to the financial statements for the financial year ended 31 December 2010 on page 164 of this Annual Report.

#### 7. MATERIAL CONTRACTS

There has been no material contracts involving Directors and Major Shareholders' interests entered into since the end of the previous financial year.

#### 8. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no significant sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or management arising from any significant breach of rules/guidelines by the relevant regulatory bodies during the financial year.

#### 9. VARIATION IN RESULTS

There were no variations in results (differ by 10% or more) from any profit estimate/forecast/projection/unaudited results announced.

#### 10. UTILISATION OF PROCEEDS

On 23 March 2010, the Company issued 4.95% Redeemable Fixed Rate Bonds at a total nominal value of RM150.0 million with 50 million detachable warrants on a bought deal basis to Affin Investment Bank Berhad and Affin Bank Berhad, in accordance with the Trust Deed governing the Bonds dated 23 February 2010.

Proceeds from the issuance of the Bonds have been utilised for the following purposes:

- (i) Repayment of the Bridging Loan of RM53.6 million; and
- (ii) To finance investments in media related assets of RM19.9

The remaining balance of RM70.2 million will be utilised for Media Prima's investments in media related assets/new investments in media related assets in future.

#### RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF REVENUE NATURE

There were no RRPTs during the financial year ended 31 December 2010.

# statement on internal control

#### **RESPONSIBILITY**

The Malaysian Code on Corporate Governance (revised in October 2007) prescribes as a principle of Corporate Governance that the Board of Directors should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets. The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The related principal responsibilities of the Board in relation to internal controls as outlined in Best Practices Provision AA I in Part 2 of the Code include:

- Identifying principal risks and ensuring the implementation of appropriate control systems to manage these risks;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of the systems. It should however be noted that such systems are only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Accordingly, these systems can only provide reasonable but not absolute assurance against material losses, fraud, misstatements or breaches of laws or regulations.

The Group has in place a continuous, proactive and systematic process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives.

#### **CONTROL STRUCTURE & ENVIRONMENT**

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Group's control environment comprises of the following components which have been in place throughout the financial year:

#### • The Board of Directors

The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group's operations and performance and to address key policy matters, where necessary. The Group Managing Director leads the presentation of Board papers and provides comprehensive explanation over pertinent issues. The prerequisite to decisions made in the meeting is the thorough deliberation and discussion by the Board, together with recommendations and feedback from Management. In addition to quarterly accounts and financial information reports, corporate proposals, Group's Risk profile review, progress reports on business operations are also tabled at the Board's quarterly meetings.

#### • Independence of the Audit Committee

The Audit Committee is wholly comprised of four independent non-executive directors who are highly experienced and whose knowledge, background and judgement are invaluable to the Group. The Audit Committee have unimpeded access to both the internal and external auditors and has the right to convene meetings with the auditors without the presence of other directors and employees.

The Audit Committee reviews the work of the internal and external auditors, their findings and recommendations to ensure that it obtains the necessary level of assurance with respect to the adequacy of the internal controls. The Audit Committee assists the Board in overseeing the overall management of key risks. The Audit Committee also reviews the effectiveness of the risk management process in their evaluation of the control environment. Significant risk issues are referred to the Board for consideration. Further details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report.

#### Management Committees

Various Management Committees have been established including the Programme Committee, Newsprint Committee, Group Risk Management Committee, Procurement Committee, Tender Committee, ICT Steering Committee and Recovery Executive Committee with clearly defined terms of reference.

#### Organisational Structure with Defined Roles and Responsibilities

The Board has established a properly defined organisational structure with clear reporting lines and formalised roles and responsibilities. The Group's Limits of Authority assigns authority to appropriate levels of staff to exercise control over the Group's commitment of both capital and operational expenditure. The Limits of Authority are approved by the Board and are regularly reviewed and updated to reflect changing conditions.

#### • Limits of Authority ("LOA")

The LOA for the Group has been structured to define all the common matters pertaining to the operations of such policy approval, awarding of projects and capital and operational expenditures. It serves as a control whereby a cross-check system has been incorporated to minimise any abuse of authority. The system provides that approvals granted should be supported by a recommendation from the subordinates and notified to the superior of the approving authority particularly pertaining to material transactions. The highest approving authority is the Board of Directors where the transactions will determine the direction and financial position of the company and are above the limit that has been granted to the Group Managing Director.

A separate LOA for each subsidiary company has been prepared in order to ensure adequate management control and smooth operations at subsidiary level. All Heads of subsidiary shall always be governed by the authority limits accorded to them in the LOA for the respective subsidiary company. The Board of Directors had on 24 February 2010 approved the LOA for Kurnia Outdoors Sdn. Bhd., a newly acquired subsidiary company. The LOA of The New Straits Times Press (Malaysia) Berhad (NSTP) is currently being reviewed to streamline the limits accorded to the subsidiaries within the group.

#### Senior Management Meeting

Senior management meetings are held on a monthly basis to formulate strategies on an ongoing basis and to address issues arising from changes in both the external business environment and internal operating conditions.

#### Code of Ethics

The Code of Ethics is communicated to and acknowledged by all employees and compliance with this Code is mandatory. The Code serves as a guide and reference to assist employees to live up to the high ethical business standards, and it provides guidance on the way business and duties is conducted in an efficient, effective and fair manner. The Code highlights key issues and identifies the relevant policies and procedures and resources to help employees conduct business and duties in line with company's acceptable practices.

#### • Documented Internal Policies and Procedures

Policies and procedures of business processes are documented and set out in a series of Standard Operating Manuals and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs.

Critical Policy and Procedures developed and enforced during the year such as the Presenter Guidelines aims to ensure all presenters perform their duties in a professional manner and demonstrate an exemplary conduct both on and off air. Management is currently in the midst of streamlining NSTP's Policies and Procedures. All the documented Policies and Procedures can be accessed via company's intranet at http://peopleconnect.mediaprima.com.my

#### • Human Resources Policy

The Group has in place a comprehensive Human Resources Policy approved by the Board that set the tone of control consciousness and employee conduct. There is also in place supporting procedures for the reporting and resolution of actions contravening these policies.

There are proper guidelines within the Company regarding employment and dismissal, formal training programmes as well as other relevant procedures in place to ensure that staff are competent and adequately guided in carrying out their responsibilities.

The Group has also in place a Performance Management System, which is linked to and guided by Key Performance Indicators (KPI) and accountability.

#### Staff Development & Training

Staff competency is enhanced through a rigorous recruitment process and development programmes. Emphasis is placed on the quality and abilities of employees with continuing education, training and development being actively encouraged through a wide variety of programmes that include:

- Professional Image Programme
- Managing Change Training
- Emerging Leadership Programme
- The Art of Interview for Broadcast Journalist
- Voice Workshop by In House Trainer
- Differentiating Your Brand Training
- Write Right Workshop

Staff had also attended key global exhibitions and benchmark visits of foreign stations include:

- 2010 Asia Media Summit in Beijing, China
- Broadcast Asia 2010 in Singapore
- 63<sup>rd</sup> World Congress Editor's Forum in Hamburg, Germany
- Nova Studio (Sydney)
- Al Jazeerah (Malaysia)
- Mediacorp (Singapore)
- SCTV (Indonesia)

#### Talent Management

Media Prima has put in place a structured talent management plan. The objective of the plan is to ensure that a well-stocked cadre of qualified individuals ready to assume key positions within the organisations. The programme is built on the development of talent pools, not only for upward movement but for lateral movement.

The Group has embarked in talent searches through career fairs in Malaysia, as well as in United Kingdom and Australia. Specialised recruitment tracks have been designed to develop talent among high achieving fresh graduates to deliver value to the organisation and this include:

# statement on internal control cont'd

TRACKS	DESCRIPTION	DURATION
Business Executives (BE)	Business Executives consist of high potential candidates who will go through a series of attachments within the Group to gain exposure in different core areas in Media Prima's line of business.	2 year
Journalist Pre-entry Curriculum (JPEC)	Established this year, this curriculum takes candidates through the basics of journalism, from technical know-how to writing special reports and job training from experienced journalists.	
Young Engineers Programme	This programme was incepted this year to provide succession and continuity for the Engineering Department. Candidates will go through a series of attachments in different divisions from basic camera handling to satellite operations.	1 year

#### • Spiritual, Motivational and Health Activities

The Group has taken the initiative to organise spiritual related activities in order for the employees to function better in the workplace and contribute more to the Company as a whole. The Group organises regular religious discourse and weekly Quran recital, as well as provides subsidy for eligible employees who plan to perform Haj or Umrah.

During the year, the Group has created a new annual event called the "Media Prima Inspirational Series" where prestigious inspirational and iconic leaders are invited to share their stories. YBhg. Tun Dr. Mahathir Mohamad was the first selected to inspire and enlighten the staff. The Group also places an importance in health awareness by organising a "Health & Fitness Day" and establishing the "Win Big & Loose Big" programme, an internal weight-lost competition within the staff. The Group had also conducted quarterly health awareness programme which include "Health Screening Package" for staff and blood donation activities.

#### Internal Audit Function

The Group's internal audit function undertakes regular reviews of the Group's operations and its system of internal controls. It provides continuous improvement to the controls and risk management procedures. In this respect, the internal audit function reviews the Group's activities based on an approved audit plan presented to the Audit Committee. The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Group's risk management framework approved by the Board. Internal audit findings are discussed at management level and actions are agreed in response to the internal audit recommendations. The progress of implementation of the agreed actions is being monitored by Internal Audit through follow up reviews.

The internal audit function has a clear line of reporting to the Audit Committee and the Audit Committee determines the remit of the Internal Audit function. Thus, the internal audit function is independent of the activities they audit and is performed with impartiality, proficiency and due professional care.

In line with the recommendations of the Institute of Internal Auditors that an external quality assurance review be conducted at least once every five years, the Group's internal audit function was subject to a review by Messrs KPMG Business Advisory in 2006. The review has enhanced the effectiveness of the Group's internal audit function in providing both primary assurance and value adding services as expected by its stakeholders.

#### Annual Assessment of Internal Controls

In line with the Board's request, an annual assessment to evaluate the state of internal controls and risk management at each operating unit was conducted during the year. A General Audit Report (GAR) based on a rating system approved by the Board was issued to all the operating units within the Group at the end of the assessment. The rating system considers the achievement of key objectives by the operating units; financial performance of the operating units including cost control measures; compliance with risk management framework and internal control procedures; the effectiveness of management supervision; the quality of staffing and follow-up actions on issues raised by the external auditors. The assessment provides the Board with the necessary assurance that a sound control environment and structure are in place.

#### • Fraud Prevention Manual and Whistle-blowing Policy

The Group has established a Fraud Prevention Manual consisting of the Anti-fraud Policy and Whistle-blowing Policy. The Anti-fraud Policy defines clearly what constitutes fraud and fraudulent activities. It also endeavours to limit the opportunity for fraud against the Group by increasing the prevention, detection and prosecution of fraudulent activities.

The Whistle-blowing Policy guides employees of the Group in communicating instances of illegal or immoral conduct to the appropriate parties within the Group and at the same time protecting these employees against victimisation, discrimination or being disadvantaged in any way arising from such communications. It also provides for proper investigation on all allegations or reports from within and outside the Group.

The manual builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group.

#### • Supplier Code of Conduct

The Board expects all Media Prima's suppliers to observe high ethical business standards of honesty and integrity and to apply

these values to all aspects of their business and professional practices. A Supplier Code of Conduct is established in which the Group's minimum expectations on the suppliers vis-à-vis legal compliance and ethical business practices are stipulated. The Code applies to all suppliers, vendors, contractors and any other persons doing business with Media Prima and its subsidiary companies.

#### Business Plan and Budgets

Annual business plans and budgets are prepared by the Company's business units, and are reviewed and approved by the Board. The performance of each business unit is assessed against the approved budget, with explanation on significant variances provided to the Board on a periodic basis.

#### ICT Strategy Blueprint

Media Prima has initiated a three year ICT Blueprint in 2007 to address the Group ICT requirements. The Blueprint had identified key ICT development strategies that include:

- Aligning the ICT initiatives with the business strategy to ensure proper exploitation of technology;
- Support the Group's human capital development programme to increase the ICT skills and competencies within the Group;
- Develop key performance to measure the effectiveness of ICT deliverables and contributions; and
- Address key concerns/risk and mitigation strategies.

A committee called ICT Steering Committee has been formed to oversee the development and implementation of the ICT Blueprint. The Group's Internal Audit monitors the progress of the ICT initiatives and reports to the Audit Committee on a quarterly basis. The ICT initiatives completed in 2010 include:

- Integrated Broadcast System
- Human Resource System Enhancement
- Centralised Back Up Solution
- Information Security Management System

#### OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system are described below:

- Monthly reporting of actual results and their review against budget, with major variances being followed up and management actions taken, where necessary. The financial results are reviewed by the Board with management on a quarterly basis, to enable them to gauge the Group's achievement of its annual targets and review any key financial and operational issues.
- Regular and comprehensive information provided to management, covering financial performance and key performance indicators, such as advertising market share, television viewership, programme ratings and utilisation of resources.

- Monitoring of performance including discussion of any significant issues at senior management meetings.
- Content Regulatory workshop conducted as part of the initiative
  to impart information and to provide explanation on the rules
  and regulations governing the broadcast industry based on the
  Communication and Multimedia Act 1998; Communication and
  Multimedia Content Forum Content Code and the respective license
  condition of each TV Networks / Radio.
- Regular visits to operating units by senior management.
- The officers responsible for internal control, legal and regulatory compliance for the Group are as follows:

NAME	DESIGNATION	MATTERS
Sere Mohammad Mohd Kasim	Group General Manager, Corporate Governance & Risk Management	Internal Control and Risk Management
Noor Alina Mohd Faiz	Group General Manager, Legal & Secretarial	Legal
Laili Hanim Mahmood	Group General Manager, Regulatory Affairs	Regulatory Compliance

The Board believes that the development of the system of internal controls is an ongoing process and has taken steps throughout the year to improve its internal control system and will continue to do so. Based on the assessment of the internal control system of the Group, no significant control failures or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's annual report were noted.

The Board is satisfied that the system of internal control was generally satisfactory. Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken. This statement, prepared for inclusion in the Annual Report of the Company for the year ended 31 December 2010 has been reviewed by the Audit Committee prior to their recommendation to the Board for approval.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 8 March 2011.

#### **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

This statement on Internal Control has been reviewed by the external auditors for the inclusion in the annual report of Media Prima for the year ended 31 December 2010. The external auditors have reported to the board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

MFNIÁ PRIMA REPHAN

# statement on risk management

As the nation's leading integrated media investment group with diversified interests in television, radio, print media, movie-making, talent management, outdoor advertising and new media, Media Prima is exposed to various types of risk. The Board acknowledges its responsibility to adopt best practices in Corporate Governance and endeavours to instil risk management and control as part of the Group's business culture.

Achievement of the Group's business objectives depends, among other things, on external economic factors, the unpredictability of market trends, ever evolving technology, unforeseen calamities and human factors. In recognition of the wide exposure to operational, financial and manpower risks, the Group's internal risk management and control systems strive to identify, assess and mitigate risks effectively. The Group's risk management methodology is based on an integrated risk management model that considers risk at all levels of the organisation, from the strategic to the day-to-day operations.

#### RISK MANAGEMENT FRAMEWORK

The Group has in place a Risk Management Framework which encompasses the formation a Group Risk Management Committee (GRMC). The GRMC is responsible for driving the Risk Management Framework. The implementation of the framework ensures that business risks are identified, assessed and managed effectively. This framework provides the platform to adopt a more holistic and integrated approach to managing risk. The objectives of the framework are as follows:

- Establish a clear Risk Management Policy;
- Allocate and optimise the use of resources in managing risk effectively;
- Inculcate an effective risk management culture throughout the Group;
- Safeguard financial and non-financial assets of the Group;
- Ensure compliance to policies, procedures, guidelines, laws and regulations; and
- Establish an integrated risk management process where
  - Risk management operating structure is formalised and key lines of responsibility for risk management throughout the Group are defined;
  - Monitoring of major risk factors, which may have significant impact on individual businesses and the Group, is centralised at Group Senior Management level; and
  - A transparent system of information and communication for risk management between operations, Management and Board of Directors is achieved.

The GRMC consist of the following members:

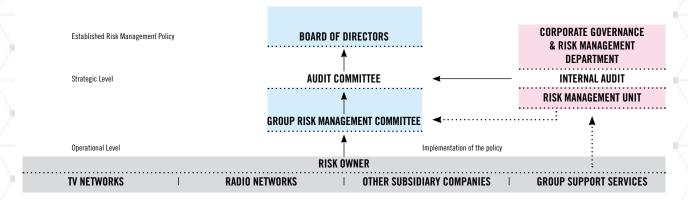
- Group Managing Director (Chairman);
- · Group Chief Executive Officer TV Networks;
- Group Chief Financial Officer;
- Group Chief Technology Officer;
- Group General Manager Corporate Governance & Risk Management;
- Group General Manager Legal & Secretarial; and
- Group General Manager Human Resources.

The GRMC meets quarterly to deliberate risks identified and the associated risk mitigation strategies. The following GRMC meetings were conducted during the year:

DESCRIPTION	DATE
25 <sup>th</sup> GRMC Meeting	9 February 2010
26 <sup>th</sup> GRMC Meeting	12 May 2010
27 <sup>th</sup> GRMC Meeting	9 August 2010
28 <sup>th</sup> GRMC Meeting	2 November 2010

The Audit Committee updates the Board on the significant changes that affect the risk profile of the Group. The Board monitors the implementation of the risk mitigation strategies and changes to the risk profiles.

#### RISK MANAGEMENT OVERSIGHT STRUCTURE



The risk management process in place requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to identify and evaluate the adequacy of mechanisms in place to manage, mitigate or transfer these risks. The process encompasses assessments and evaluations at business unit process level before being examined on a Group perspective.

#### **RISK MANAGEMENT PROCESS**

#### RISK RISK ASSESSMENT RISK CONTROL RISK **IDENTIFICATION** & MEASUREMENT & MONITORING REPORTING Control Risk Self Assessment Identified risks are rated RMU & risk owners monitor The RPRR is presented to the the implementation status GRMC, Audit Committee & (CRSA) technique is used based on risk quadrants as a tool to identify risks of identified strategies. Board of Directors for review. and compiled into the and mitigation strategies Risk Profile Review Report which is carried out by Review and adherence to (RPRR). Risk Management Unit standard operating policies (RMU) and risk owners. Risk owners implement and procedures. action plans based on identified strategies. **BUSINESS RISK** FINANCIAL RISK OPERATIONAL RISK MANPOWER RISK The risk pertaining to possible The risk of losses due to procedural The risk pertaining

The Group has developed an enterprise wide risk profile through the Control and Risk Self-Assessment method facilitated by CGRM. The risk profile provides a common understanding and the impetus for discussion of risk that influence organisational performance. The Risk Management team conducts risk assessments for every unit of the Group and assists staff in understanding the application of the process. The Risk Management Framework ensures a consistent system of risk management across the Group with clear executive support. Each appointed divisional Risk Liaison Officer owns the responsibility for risk management activities in their specific division. Based on the compilation and analysis of risk monitoring results, Risk Profile Review Reports are then prepared and presented to the GRMC members and the Board on a quarterly basis for evaluation as well as to recommend effective control measures and risk mitigation strategies. Key risks faced by Media Prima in its day-to-day operations includes:

errors or failures in internal controls

KEY RISK STRATEGIES IMPLEMENTED

1. Emergence of new competition brought about by new industry players and alternative media platforms.

inability to reach financial goals

- Identification of new revenue streams and leverage on existing industry knowledge.
- Intergration of media sales to provide clients with strategic access and creative solutions.

to management of staff

- Collaboration with service providers to expand target audience reach.
- Introduction of online portal that provides cutting edge viewing experience.
- Producing and investing in quality content.

## statement on risk management cont'd

2. Increase in operational expenditure attributed to acquisition of content, news print and bandwidth charges.
 Strict controls on stock levels and wastages.
 Procure from credible suppliers with competitive prices.
 3. Disruptions to operations in the event of system failure or disaster.
 A Business Continuity Plan has been developed and IT disaster recovery testing conducted on a yearly basis.

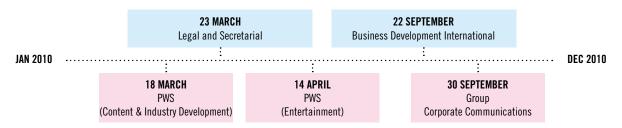
During the year, the Group continued to enhance and evaluate the risk management framework for efficacy and coherence. Some of the risk management on going activities and/ or initiatives include:

#### Awareness Sessions

Awareness sessions serve as a refresher course and interactive session on certain standard operating policies and procedures to the primary users. These sessions are conducted by the Risk Management Unit in collaboration with identified stakeholders to introduce new operating policies and procedures and to reiterate relevant guidelines for the benefit of staff.

#### Communication Sessions

In order to ensure a better understanding of the risk management framework and control procedures, and smooth implementation of new policies and procedures, the Risk Management team continuously holds presentations to educate and update the Group's staff accordingly. Control Risk Self Assessment (CRSA) sessions are conducted with risk owners to identify and explain the objectives and processes involved in risk identification. The following CRSA sessions were conducted during the year:



#### Corporate Governance and Risk Management Web Portal

CGRM Department strives for efficient communications with all other units within Media Prima. A web portal consisting of information such as Policies and Procedures, Limits of Authority Manual and other information pertaining to control, risk and governance matters is in place and is accessible to all employees. It acts as an interactive platform to welcome feedback on all relevant issues. Staff are timely informed on the new policies and procedures uploaded on the web portal. During the year, CGRM had uploaded the Kurnia Outdoor Sdn Bhd Limits of Authority and the newly developed Presenter Guidelines.

#### Business Continuity Plan

Business Continuity Planning aims to minimise the impact of disruptions during a disaster while maximising resources available to resume normal operations. The Board recognises that it is crucial to ensure business continuity in case of significant disruption or disaster. The Business Continuity Plan (BCP) for the Group is being continuously reviewed to reflect changes in risk profiles and organisational structure. This Plan focuses on the sudden inability for the Group to provide services to its stakeholders due to the loss of physical assets and broadcasting capability. In this respect, the Group has formulated a comprehensive plan that covers all actions to be taken before, during and after a disaster, with the following objectives:

- Minimise disruption of services to all levels of clients and stakeholders;
- Minimise financial loss;
- Ensure a timely (and prioritised) resumption of business operations in the event of disaster or disruption;
- Provide particular emphasis on information services and computer operations, given the integral relation between Information and Communications Technology and all parts of the television stations' operations;
- Ensure a safe and secure working environment and provide other assistance to help staff cope with the disruption and their individual workloads; and
- Provide adequate communications internally and externally in the event of disaster or disruption to operations.

During the year, the Radio Networks playout station had been tested and completed at an off-site location. The purpose of the playout station is to enable Radio Networks to broadcast from an off-site location in the event of a disaster at Sri Pentas premises.

Management Information Services (MIS) had conducted a disaster recovery simulation to ensure all critical IT applications can be recovered in the event of a disaster. The simulation was performed at Media Prima's 'warm site' facility with the participation of key users of the respective systems. CGRM had observed the recovery testing and provides feedback on areas that may require improvements.

In 2009, NSTP had conducted a disaster recovery simulation and awareness session at 3 regional printing plants. During the year, the company had conducted a refresher course on disaster recovery at the Prai Regional Printing Plant.

#### Occupational Safety and Health Policy

The Group has in place an Occupational Safety and Health (OSH) Policy and one of its subsidiaries, Sistem Televisyen Malaysia Berhad (TV3) had in 2006 successfully obtained the Occupational Health and Safety Assessment Series certification (OHSAS 18001:1999) awarded by Bureau Veritas Malaysia Sdn. Bhd. (BV) for establishing, implementing and maintenance of a safe, healthy and conducive workplace related to broadcasting activities. TV3 has established a dedicated OSH team to assist in the development of safety and health rules and are also involved in ensuring compliance to health and safety regulations at Media Prima's ground events. Media Prima is in the midst of obtaining renewal and to transfer the current OHSAS certification from TV3 to Media Prima group of companies. BV has also conducted an overall audit on Media Prima during the year. Media Prima is currently updating and revising the OSH system manual to incorporate the latest changes as required by the OHSAS18001:2007 certification.

#### • IT Security Master Plan

In view of the Group's increasing use of IT as a business enabler and the inherent risk associated with cyber threats, the ICT Steering Committee has approved the development of the Enterprise Security Architecture (ESA), an Information Security Management System in accordance with ISO 27001.

An Information Security Audit Framework, a subset of the ESA has also been established to measure the effectiveness of the implementation of the ESA.

The Corporate Information Security Policy and Procedures (CISP), which was developed and communicated to all staff, covers the management of information, data security and provides guidelines on the acceptable use of Media Prima IT resources. The CISP also provides basic guidance on operational controls related to information security at Media Prima Group of Companies.

During the year, the following measures were implemented to ensure that the CISP is adhered to and applied for IT quality assurance:-

- Briefing to newly joined staff;
- Anti software piracy campaign; and
- Issuance of notifications on the acceptable use of email system and thumb drive.

#### • New investments and projects

Risk assessments are included in business proposals for acquisitions and investments in new business ventures or new major IT systems in order to ensure that decisions are made after assessing the significant risks associated with the proposed investments or projects. During the year, risk assessment had been carried out for the selection of vendor to develop the Intelligent Media Platform (IMP).

CGRM is also involved in ensuring that the relevant controls are incorporated into the design of the Production Management System (PMS) which is targeted to be implemented in 2011.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 8 March 2011.

# audit committee report



#### 1 MEMBERS OF THE AUDIT COMMITTEE

#### DATO' GUMURI BIN HUSSAIN Independent Non-Executive Director

- Chairman of Audit Committee.
- Member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants.
- Fellow of the Institute of Chartered Accountants in England and Wales.

# TAN SRI MOHAMED JAWHAR Independent

Non-Executive Director

 Member of Nomination Committee.

#### DATO' ABDUL KADIR Bin Mohd Deen

Independent Non-Executive Director

- Chairman of Employees' Share Option Scheme (ESOS) Committee.
- Member of Nomination Committee.
- Member of Remuneration Committee.

#### TAN SRI LEE LAM THYE

Independent Non-Executive Director

- Member of Nomination Committee.
- Member of Remuneration Committee.

#### 2 ATTENDANCE AT MEETINGS

The Audit Committee held a total of five (5) meetings during the financial year 2010 and the details of attendance of the Committee members are as follows:

	26 <sup>th</sup> ACM 19 Feb 2010	27 <sup>th</sup> ACM 17 May 2010	Special ACM 16 Jun 2010	28 <sup>th</sup> ACM 16 Aug 2010	29 <sup>th</sup> ACM 11 Nov 2010
Dato' Gumuri bin Hussain (Chairman)	V	√	√	√	*
Tan Sri Lee Lam Thye	$\sqrt{}$	√	√	V	V
Tan Sri Mohamed Jawhar	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	$\sqrt{}$
Dato' Abdul Kadir bin Mohd Deen	•	•	√	√	$\checkmark$

ACM : Audit Committee Meeting

NA : Not Applicable √ : Attend

\* : On medical leave

: Absent with Apologies (Abroad)

In addition to the Committee members, the Group Managing Director, the Group Chief Financial Officer and the Group General Manager, Corporate Governance and Risk Management were also invited for each meeting. The Audit Committee also invited member of the senior management or relevant employees within the company who the Committee deems fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

The quorum for each meeting shall be three (3) members. The Company Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes. Minutes of each meeting signed by the Chairman and distributed to all attendees at the meetings and members of Committee.

The Audit Committee Chairman briefed the Board of Directors on matters discussed at every Audit Committee meeting. The Chairman is also responsible to update the Board about Committee activities and make appropriate recommendations when necessary. This is to ensure the Board is aware of matters that may significantly impact the financial condition or affairs of the business.

The Committee has explicit right to convene meetings with both the internal and external auditors without the presence of other directors and employees. The Audit Committee held two meetings with the external auditors on 19 February 2010 and 16 August 2010 respectively in the absence of Management and Executive Directors. The Chairman of Audit Committee had separate meetings with the Group General Manager, Corporate Governance and Risk Management prior to every scheduled Audit Committee meeting.

#### 3 TERMS OF REFERENCE

The Audit Committee of Media Prima Berhad is guided by the following Terms of Reference in performing their duties and responsibilities:

#### 3.1 Composition of Members

- 1. The Committee must be appointed from amongst its Directors which fulfil the following requirements:
  - i. The Audit Committee must be composed of no fewer than three (3) members;
  - ii. All members must be independent directors; and
  - iii. At least one member of the Audit Committee:
    - Must be a member of the Malaysian Institute of Accountants (MIA); or
    - If he is not a member of the MIA, he must have at least 3 years' working experience and:
      - He must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
      - He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
- 2. The Chairman shall be an Independent Non-Executive Director.
- 3. No alternate director is appointed as a member of the Audit Committee.
- 4. In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.
- 5. The Company Secretary shall act as Secretary to the Committee.

# audit committee report cont'd

#### 3.2 Scope

- 1. The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to cooperate as requested by members of the Committee.
- 2. The Audit Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.
- 3. The Audit Committee shall provide assistance to the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies, financial management & control.
- 4. The Audit Committee, through regularly scheduled meetings, shall maintain a direct line of communication between Board, External Auditors, Internal Auditors and Management.
- 5. The Audit Committee shall provide greater emphasis on the audit functions by increasing the objectivity and independence of External and Internal Auditors and providing a forum for discussion that is independent of the Management.
- The Audit Committee may invite any person to the meeting to assist the Committee in decision-making process and that the Committee may meet exclusively as and when necessary.
- 7. Serious allegations that have financial implications against any employee of the company shall be referred to the Audit Committee for investigation to be conducted.

#### 3.3 Authority

The Audit Committee shall have the following authority as empowered by the Board of Directors:

- 1. Have authority to investigate any matter within its terms of reference;
- 2. Have the resources which are required to perform its duties;
- 3. Have full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group:
- 4. Have direct communication channels with the External Auditors and person(s) carrying out the Internal Audit function or activity;
- 5. Be able to obtain independent professional or other advice; and
- 6. Be able to convene meetings with the External Auditors and Internal Auditors together with other independent members of the Board excluding the attendance of the Executive members of the committee at least once a year or whenever deemed necessary.

#### 3.4 Duties and Responsibilities

The duties and responsibilities of the Audit Committee with the following groups will be as follows:

#### **Board / Management**

- 1. Chairman of the Audit Committee is to provide written reports/updates on deliberations and decisions made at the Committee's level to the Board on regular basis with focus given to significant issues and resolutions by the Committee.
- 2. To submit to the Board a summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues.
- 3. To obtain satisfactory response from management on reports issued by Internal and External Auditors.
- 4. To highlight significant findings identified and the impact of the audit findings on the operations.
- 5. To oversee the function of the Group Risk Management Committee and report to the Board significant changes in the business and the external environment, which affect key risks.
- 6. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the Committee, all the above mentioned function shall also be performed by the Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation.
- 7. To review arrangements established by management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Media Prima Group's operations.
- 8. To consider other areas as defined by the board.

#### **Internal Auditors**

- 1. To oversee the Internal Audit function by:
  - Reviewing the adequacy of the scope, functions and resources of the Internal Audit function, and that it has the necessary authority to carry out its work;
  - Reviewing the Internal Audit programme, the results of the Internal Audit programme, processes or investigation undertaken and ensure
    that appropriate action is taken on the recommendations of the Internal Audit function;
  - Reviewing any appraisal or assessment of the performance of members of the Internal Audit function;

- Determining and recommending to the Board the remit of the Internal Audit function, including the remuneration of the Group General Manager, Corporate Governance and Risk Management;
- Approving any appointment or termination of senior staff members of the Internal Audit function;
- Informing itself of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- Ensuring on an on-going basis that Internal Audit has adequate and competent resources;
- Monitoring closely any significant disagreement between Internal Audit and Management irrespective whether they have been resolved;
   and
- Ensuring that Internal Audit reports are not subject to the clearance of the Group Managing Director/Chief Executive Officer, save for purposes of presentation to the Group Risk Management Committee.
- 2. To consider the major findings of internal investigations and management's response.

#### **External Auditors**

- 1. To consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal.
- To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- 3. To review the assistance given by the employees of the Company to the External Auditor.
- 4. To discuss with the External Auditor, his audit report and his evaluation of the system of the internal controls;
- 5. To review the quarterly and year-end financial statements of the company, focusing particularly on:
  - Any changes in accounting policies and practices;
  - · Significant adjustments arising from the audit;
  - The going concern assumption; and
  - Compliance with accounting standards and other legal requirements.
- 6. To discuss problems and reservations arising from the interim and final audits, any matter the Auditor may wish to discuss.
- 7. To review the External Auditor's management letter and management's response.

#### **Related Party Transaction**

 To consider any related party transactions that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity.

#### 4 ACTIVITIES OF THE AUDIT COMMITTEE

The Committee carried out the following activities during the year in discharging its duties and responsibilities as stipulated in its Terms of Reference:

#### 4.1 Risks and Controls

- Reviewed the progress of the risk management function in its on-going identification and monitoring of key organisational risks and the controls implemented by the respective operating units in managing those risks.
- Reviewed and deliberated on the Group corporate risk profile.
- Evaluated the overall effectiveness of the system of internal controls through the review of the results of work performed by Internal and External Auditors and discussions with Senior Management.
- Reviewed the results of the Annual Assessment exercise.
- Reviewed the Statement on Internal Control, Statement on Risk Management and Audit Committee Report prior to their inclusion in the Company's Annual Report.

#### 4.2 Financial Results

- Reviewed the Group's quarterly results before recommending to the Board for their approval and release of the Group's results to the Bursa Securities focusing on the following areas, where relevant:
  - Listing Requirements of the Bursa Securities;
  - Provisions of the Companies Act, 1965;
  - Applicable approved accounting standards; and
  - Other legal and regulatory requirement.

MFNIA PRIMA REPHAD

# audit committee report cont'd

• Reviewed the audited financial statements of Media Prima and its subsidiaries with the Group Chief Financial Officer and the External Auditors before recommending to the Board for their approval.

In the review of the annual audited financial statements, the Committee discussed with the Management and the External Auditors regarding
the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

#### 4.3 External Audit

- Reviewed with the External Auditors their audit plan, strategy and scope of the statutory audits of the Group accounts for the financial year ended 31 December 2010.
- Reviewed the results and issues arising from their audit of the year-end financial statements and their resolution of such issues highlighted
  in their report to the Committee.
- Reviewed their performance and independence before recommending to the Board their re-appointment and remuneration.
- During the year under review, the Committee met twice with the External Auditors without the presence of Management.

#### 4.4 Internal Audit

- Reviewed the Internal Audit plan for the financial year ended 31 December 2010 ensuring the principal risk areas were adequately identified
  and covered in the plan.
- Reviewed the scope and coverage of the audit over the activities of the respective operating units of the Group and the basis of assessment
  and risk rating of the proposed areas of audit.
- Reviewed and deliberated on audit reports and follow-up reports conducted by the Internal Audit.
- Reviewed the recommendations by Internal Audit and appraised the adequacy and effectiveness of Management response in resolving the audit issues reported.
- Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were
  adequately addressed on a timely basis.
- Reviewed the adequacy of resources and the competencies of staff within the Internal Audit function to execute the plan and the results of their work.
- Appraised the performance of the Group General Manager, Corporate Governance and Risk Management.

#### 4.5 Related Party Transactions

 Reviewed related party transactions for compliance with the Listing Requirements of the Bursa Securities and the appropriateness of such transactions before recommending to the Board for its approval.

#### 4.6 Employees' Share Option Scheme

As per requirement under paragraph 8.17(2) of Listing Requirements of Bursa Securities, the Audit Committee reviewed and verified
allocation of share options during the year under Media Prima Berhad Employees' Share Option Scheme (ESOS), to ensure compliance with
the allocation criteria determined by the ESOS Committee and in accordance with the by-laws of the Media Prima ESOS.

#### 4.7 Training

The Company had organised an in-house Board of Directors Workshop on 28 October 2010 which was attended by all Audit Committee
members. The Programme included topics on challenges in regulating the new media and strategic challenges facing the media industry.
In addition to Board of Directors Workshop 2010, the Audit Committee Members attended the external programmes such as The Regulatory
Framework and Directors Duties 2010 - "What Directors Need to Know" and World Congress of Accountants 2010.

#### 5 INTERNAL AUDIT FUNCTION

The Group has an established in-house Internal Audit function carried out by the Corporate Governance and Risk Management Department (CGRM). CGRM, headed by the Group General Manager Encik Sere Mohammad Mohd Kasim, reports to the Audit Committee. The activities of CGRM are guided by the Internal Audit Charter that defines the roles, responsibilities, accountability and scope of work of the Department. This is to enable the Internal Audit function to remain relevant in the context of new challenges and opportunities in the changing global business and economic environment.

CGRM, through a systematic and structured approach is responsible for the following:

- Provide independent assurance to the Board and Management that adequate and effective internal control system is in place to safeguard company's assets;
- Reference point to ensure effective implementation of policies and procedures and agent of change to promote risk management and best corporate governance practices; and
- Assist business units in risk assessment and developing effective risk management strategies in achieving identified business objectives.

During the year, the Internal Audit has completed and issued reports for 12 assignments based on the approved annual audit plan. The audit conducted in 2010 covers a wide range of operational areas within the Group which include operational review of One FM, Film and Drama Production, Client Servicing Group, Brand Management Group, Project Management Office, Human Resource Management and News & Current Affairs. The corresponding reports of the audits performed were presented to the Audit Committee and forwarded to the Management for attention and corrective actions.

The Management is responsible for ensuring that corrective actions on reported weaknesses as recommended are taken within the required timeframe. The Internal Audit continuously monitors the implementation of audit recommendations through periodic follow-up reviews. The Internal Audit also works closely with External Auditors to resolve any control issues and assists in ensuring that appropriate Management actions are taken. Management is also responsible for ensuring that a written report on action planned or completed is sent to the Chairman of the Audit Committee and the Group General Manager, Corporate Governance and Risk Management.

Internal Audit was also in attendance at major competition based programmes organised by the Group Television Networks such as Anugerah Juara Lagu, Mentor, Top Host, Ultimate Power Group, Showdown, Akademi Al-Quran, Gadis Melayu, Idola Kecil and Mandarin Battle Star to provide independent verification and confirmation of the competitions results and/ or SMS votes. Ground events organised by the Group, such as Karnival Jom Heboh and Sua Rasa were also participated by Internal Audit for observation and identification of areas for process improvements.

Internal Audit attended stock-takes, fixed assets and tape disposal exercise and tender openings to ensure due process had been observed and complied with according to approved Policies and Procedures. Internal Audit also reviewed and verified allocation of share options during the year to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the ESOS by-laws. The total operations cost of the department for 2010 was RM 900,859.

CGRM is a Corporate Member of The Institute of Internal Auditors Malaysia (IIAM). As a member, the department receives the monthly IIA's Internal Auditor Journal. The Journal provides up to date and pertinent information on auditing techniques, applications, trends, and best practices that has been a good reference to the department. CGRM has been selected by the management to be the first placement for the Group's Business Executive Programme for 5 years in a row.

The department has undertaken the following initiatives to improve customer service and quality of audit work:

- Communication sessions with Management on Internal Audit activities and planning of audits so that areas of Management concern are covered;
- Conducting control and risk awareness workshops; and
- Implementation of online Client Satisfaction Survey.

CGRM personnel participated in trainings and/or conferences during the year, in order to enhance their skills and knowledge and to continuously provide value added services to the Group. Each training programme attended will be followed by an internal knowledge sharing session. Trainings attended in 2010 include:

- · 2010 National Conference on Internal Auditing
- Goods and Services Tax (GST) Seminar 2010
- Media Prima Iconic Series: Talk by YAB Tun Dr. Mahathir Mohamad
- Enterprise Risk Management: Benchmarking & Refining Your ERM Strategies to Enhance Corporate Robustness
- Data Migration: The Audit Challenges
- Getting & Using Evidence in Fraud Investigations
- High Impact Presentations
- Emotional Intelligence
- Management Essentials For Administrative Professionals
- Coda Financial System: Refresher Program
- What FRS Got To Do with Internal Auditors?
- Leadership Talk Knowledge Sharing

The CGRM Department is contactable via cgrm@mediaprima.com.my.

This report is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 8 March 2011.

# connect

We continually develop multimedia and interactive content that resonates with a generation growing up with computer games and MTV-style information.

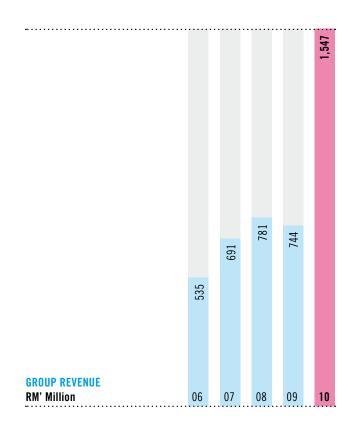




# 5-year financial highlights

	YEAR ENDED 31 DEC 2010	YEAR ENDED 31 DEC 2009	YEAR ENDED 31 DEC 2008	YEAR ENDED 31 DEC 2007	YEAR ENDED 31 DEC 2006
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
Revenue	1,546,643	744,029	781,290	691,339	534,689
Profit Before Taxation	295,311	275,844	159,264	149,095	105,651
Net Profit After Taxation	249,026	194,800	72,446	117,440	82,994
Net Profit Attributable To Owners of the Parent	242,294	194,800	86,023	117,440	80,282
Non-controlling Interests	(6,732)	_	13,577	_	(2,712)
Share Capital	1,006,696	945,346	853,811	842,183	763,852
Shareholders' Funds*	1,227,150	958,107	551,302	559,613	314,131
Earnings Per Share (sen) (Basic)**	24.58	22.71	10.00	14.00	11.00
Return on Shareholders' Funds (%)	20%	20%	13%	21%	26%
Net Assets Backing Per Share (RM)	1.22	1.01	0.64	0.66	0.41
Number of Employees ***	4,793	4,605	2,217	2,061	1,871

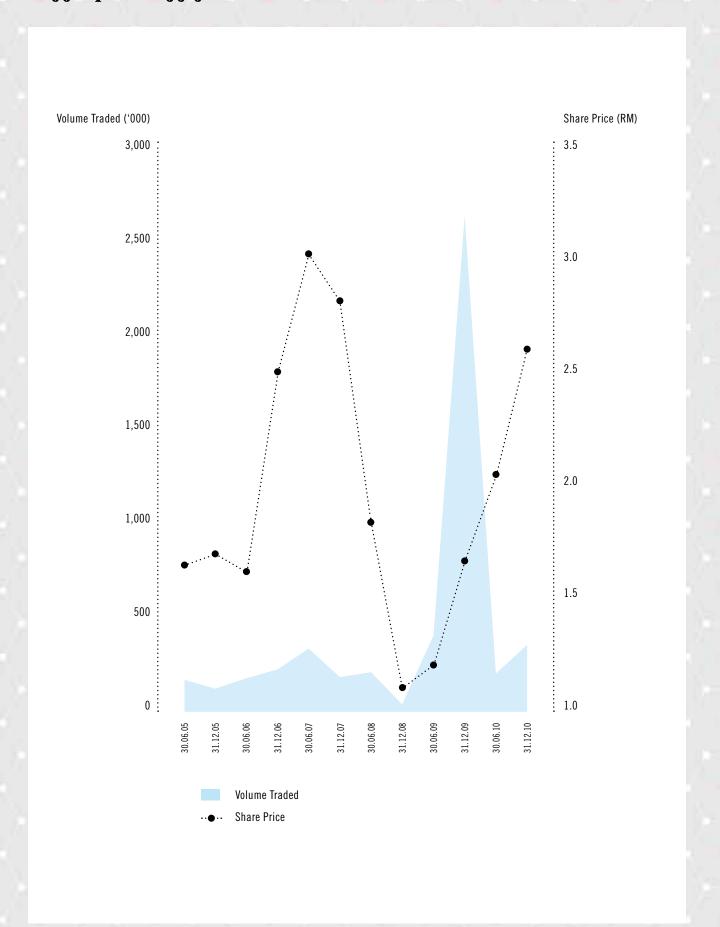
Shareholders' Funds : Share Capital + Share Premium + Other Reserves + Accumulated Losses



Earnings per Share (Basic): Net Profit After Taxation and Minority Interests of RM242,294,000 (2009: RM194,800,000) and the weighted average number of ordinary shares in issue of 985,817,000 (2009 : 857,648,000) 2009 number of employees includes employees of newly acquired subsidiaries

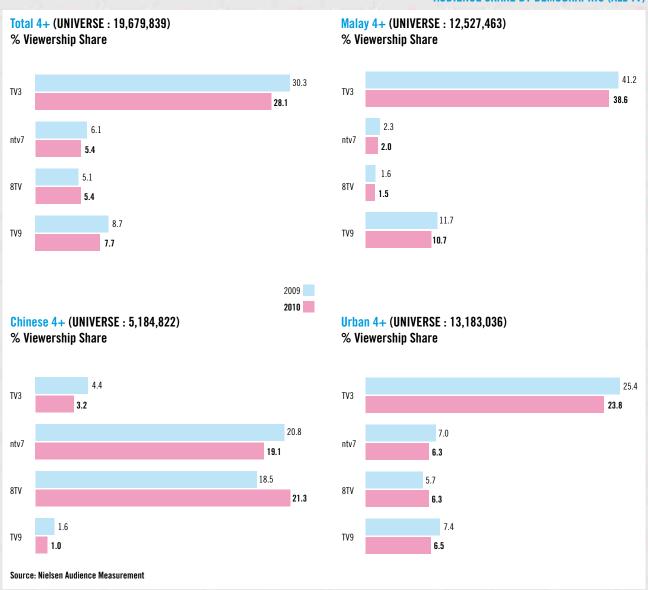


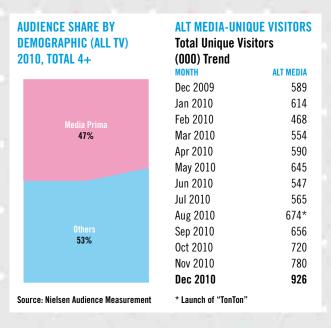
# share price chart

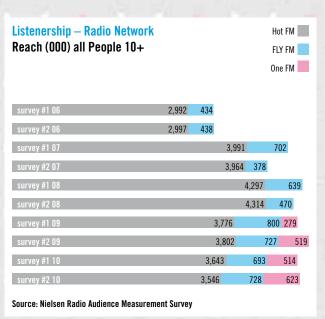


# viewership & listenership data

#### **AUDIENCE SHARE BY DEMOGRAPHIC (ALL TV)**

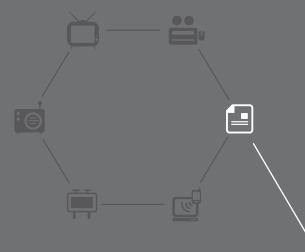








With an expanding range of news, infotainment and docudramas we bring immediacy to information and education.





# chairman's statement

# The Quest To Stay Ahead

Pi Mai Pi Mai Tang Tu. Lat. Oshin. Mr Siao's Mandarin Class. A. Samad Ismail. Lee Siew Yee. Other Thots. Nur Kasih. Buletin Utama. Anugerah Juara Lagu. Harian Metro.

Comedy. Wit and humour at their best. Woman power. Integration and understanding. Legendary editors. A hard hitting column. A hugely popular TV drama. Outstanding broadcast reporting. A top entertainment programme. A best selling newspaper.



We are all that and more. Othman Hafsham helped redefine sitcom (situation comedy) with his Pi Mai Pi Mai Tang Tu. Lat's depiction of Malaysian life is both comical and astonishingly real. Oshin, a Japanese drama dubbed into Malay, was a story of tenacity and grit, for she was one of a rare breed of woman, who fought her way against all odds to be successful. Mr. Siao's Mandarin Class on ntv7 shows the hilarious results of various races' attempts to learn Mandarin. Imagine the history of journalism in this country without the contribution of A. Samad and Lee. They are an integral part of the New Straits Times. Datuk A. Kadir Jasin's column ran from 1992 to 2002 and will be fondly remembered for its frankness. *Nur Kasih* is probably the most watched drama series in the history of TV3. Buletin Utama is the top news bulletin in the country. Anugerah Juara Lagu hit the stratosphere every time it was aired. And *Harian Metro* is indisputably the largest selling daily in Malaysia today.



DATUK JOHAN BIN JAAFFAR Chairman



# chairman's statement cont'd

We have come a long way, for we are part of the meta-narrative of this incredible nation. Malaya was a colonial backwater when the *Straits Times* started in Singapore in 1845. *Berita Harian* came out in 1957, the same year Malaya achieved its independence. Today, *Berita Harian* is the premier mainstream newspaper in Bahasa Malaysia. *Harian Metro* was shaky and uncertain when it made its debut back in the 80s. Today, it is the most successful tabloid the country has ever known.

Like the ever popular *Buletin Utama* on TV3, these newspapers are part of the pulse of this proud nation that has gone through six prime ministers and 54 years of nation-building, not to mention, in the case of the *New Straits Times*, another 112 years of news coverage, reporting and story-telling to back its credibility and history.

We have come this far. And we are hardly beginning. Media Prima Berhad (Media Prima) certainly has come a long way. Although, as an entity, Media Prima is hardly in its ninth year, we have an astonishing history behind us as part of our illustrious tradition.

We have gone through some tough times and we have prevailed. We have gone through the worst, and weathered bad times. Some of our platforms have recorded the worst ever results, but we have addressed this admirably. Media Prima is the culmination of the toils of its pioneers, the vision of its leaders and the hard work of its *karyawan* (staff). We are where we are today mostly because of sheer hard work, and lots of luck too.

The media industry changes all the time. In fact the dynamics change by the hour. The challenges can seem insurmountable. Just look at the broadsheets. It is a world of diminishing numbers, and it is a worldwide phenomenon. The naysayers would say the broadsheets are dead. Yet a belief in the demise of newspapers (mainstream or otherwise) is not only immature but exaggerated.

There are horror stories about great newspapers losing their readers and being reduced to a footnote of history. The so-called "alternative papers" are making inroads, as are the notions of people's journalism and the lawless independence of the cyber realm. We understand that, and we hope to adjust accordingly.

While it is true, the broadsheets are being challenged as never before, we also realise that integrity and believability are still the mainstay of the media. If our detractors were right, we would not have seen the staggering increase in the circulation and readership numbers of *Harian Metro* and its Sunday edition, *Metro Ahad*.

We believed in change. And we also believed in reforming *New Straits Times* and *Berita Harian*. We have faith in their staying power, perhaps forever, for they are unique and respectable, and they are the exponents of reporting excellence and a manifestation of a vibrant press in this country. They prove the point that newspapers are here to stay, perhaps even stronger than ever, despite all odds.

TV3, the oldest private TV station, has been around for 26 years. vet it does not look its age. The **New Straits Times** (beginning with the name *Straits Times*) is now 166 years old and still looking as youthful, vibrant and interesting as it was when it was first published in Singapore. We have three other TV stations. three radio stations, a new portal, TonTon, and at the same time we are Malaysia's biggest operator of outdoor advertising. We are what we claim to be – the largest and only integrated media powerhouse in the country and the only one of our kind in the region.









That is the principle that we have adopted to position ourselves at the head of the pack. We believe in creativity, innovation, re-branding, re-working old formulas, and more. We believe that we have to innovate or be left for dead. We are in the business of entertaining, educating and providing information.

Some say we are dream merchants extraordinaire. Some would criticise us for being the promoter of all things entertainment. There are others who would find fault with us for what we publish or show. We cannot please everyone. But we stick to one principle, whatever we do, we have to do it right and get it done in the best way possible.

In short, we have to be the best and be above the rest. Creativity and innovation are keys to our survival, no less. Just take the case of TV3. When it started, it was the only kid on the commercial block. The existing two governmentowned stations were not its rivals.

Now TV3 is competing against 160 other channels, though not directly, but they are certainly giving it a run for its money. It is not easy to maintain its No.1 position (which it does) and it is even more difficult to remain the most watched station (which it does with a hefty percentage viewership of 28%, even now).

What has TV3 done to sustain its position? Like the sitcom Pi Mai Pi Mai when it first started, it harps on freshness and originality. Like the story of Oshin that was broadcast on the station as a re-run in 2001, it reinvents itself all the time. Like its most successful news programme, Buletin Utama, it guarantees credibility and fairness to all. Like Nur Kasih, it offers something that audiences want - good family values and watchable fare with progressive religious undertones. Like its successful entertainment programmes — Anugerah Juara Lagu, Anugerah Bintang Popular Berita Harian, Anugerah Skrin and its astonishing popular ground event, Jom Heboh, it puts people first. The audience is always right.

The dogma is simple: people want only the best, nothing less. And if we do it right, and if they like it, ratings will shoot sky high, and the crowd (in the case of *Jom Heboh*) will come in hundreds of thousands.

Our other three TV channels are learning fast too. TV9 has quickly become what we want it to be, a more niche, youngish, hip, urbane Malaymass TV station. With its signature progressive Islamic programmes (Akademi Al Quran, Halaqah, Semanis Kurma) and palatable fare for the whole family, TV9 is garnering support unprecedented in its history and making money in the process.

ntv7, the "feel good" channel has positioned itself to be a station of choice for urban English-speaking and Chinese audiences. At the same time, 8TV is fast becoming the most watched Chinese TV station in the country, and with "local colouring" and flavor too. We are proud to announce that the two stations are the most watched Chinese channels today.

# chairman's statement cont'd

We are also proud to say that our new radio station, One FM, is currently the No.3 Chinese radio station despite the fact it is hardly two years old.

Meanwhile, we are the undisputed leader of outdoor advertising. With the completion of the takeover of Kurnia Outdoor, a respectable, niche entity, we control 43% of the market share. We have reason to be proud of the numbers, but we are prouder still to share our innovation and expertise in the area. Not only is our presence conspicuous, but we have redefined the meaning of creativity in outdoor advertising. We are the market leader with a difference.

We have every reason to be rationally exuberant that via our platforms — from print to outdoor, from TV to portal — we are able to reach out to more than 22 million Malaysians every single day! That is indeed a staggering number, and means we have to be taken seriously by our advertisers and programme sponsors.

The plethora of local and foreign awards won by our programmes in 2010 is a further huge tribute to the sheer breadth and depth of talent at work within Media Prima. For our people it is both rewarding and motivating to gain this level of recognition by the public and our peers in the industry. We also received A-rating and a Media Industry Award at the Minority Shareholders Watchdog Group Awards 2010, as well as a Special Award for the media reporting category at the Prime Minister's CSR Awards 2010. It is deeply meaningful to us that the investing community values us not just for our financial performance but for our investor relations and governance.

But complacent we certainly are not. The ever changing landscape of the media realm has jolted many of the players. We, for one, realise that we cannot depend on the old wisdom that a newspaper or a TV channel can forever jealously barricade itself while trying to remain ahead of the rest. We simply can't. On the contrary, while we improve the quality of our newspapers, we have to be proactive in anticipating online challenges as well.

The NSTP is fully aware of that, and they have created some of the most interesting online alternatives.

Similarly, young people, living in the world of the Internet, smart phones and iPads will not be contented with just watching catch-up TV. They want new applications to satisfy their needs. TonTon is the greatest thing that has happened to the local cyber realm. It is interesting TV at the touch of a finger.

At the same time, we realise that we have to move with the times by taking advantage of Internet Protocol TV (IPTV) in collaboration with others. We believe that, by doing so, we achieve a Win-Win situation: we provide the content, while our collaborators provide the vehicles. We have at least 26 years of TV content (40,000 hours of tested content, if we look at a different angle) and 166 years of news gathering, reporting, making assessments and producing write-ups for the *New Straits Times*. That is a feat not many have achieved.







We are after all, first and foremost, a content company. Content is king. One can have the platforms but without good, enticing and lively content, we would be hopelessly disadvantaged. We are the market leader because we have substantially created content that sells, and that has brought us close to our readers, viewers and listeners.

We have spent quite a lot on content too. Producing popular TV programmes like *Malaysia Hari Ini, Wanita Hari Ini, Nona* or *Aduan Rakyat* may look easy but it takes an army of dedicated people to ensure continuing success. Producing a drama is not cheap. Content creation is expensive. In all, we spent nothing less than RM200 million on content alone for our TV networks in 2010 — an annual budget equivalent to that of at least three government statutory bodies. And we will be spending more on content in years to come.

We are proud to say that we have contributed immensely to the development of the local entertainment industry in more ways than one. We have nurtured many market players and partnered them in our pursuit of good programmes. These are our strategic partners. Many have started with only ambition and ideas. Many grew up with us or with our help. Many have flourished.

We are also proud to say that we have had a series of discussions with these players from time to time for the betterment of the industry. Many have reciprocated by giving views and opinions and have volunteered constructive comments and criticism. For we believe that only by working with them can we ensure a robust entertainment and content industry.

We have also assembled some of the finest minds in academia and the industry to guide us through uncharted waters. These are our advisors in heralding a new era of broadcasting and TV programming.

I am proud to announce our latest initiative in extending help to young, independent film makers. We believe many of them are not able to survive on their own. They need our patronage. We have identified some of the best talents (such as Wan Hazliza Wan Zainuddin, Asrulhisyam Ahmad, and Aidilfitri Mohamed Yunos) and have incorporated them into our special programme, *Layar Baru*, which provides newcomers with an avenue to produce and direct their movies, and inject fresh ideas and creativity into the local film industry. "Indie film making" is the in thing today, and by supporting and promoting the proponents, we will help to expose them, without compromising their creativity and independence.

We have also collaborated with powerful media houses in Singapore, Indonesia and China. We have a healthy working relationship with Singapore Press Holdings, have partnered Media Corp in some fruitful productions, have worked with Indonesia's premier private TV station SCTV, entered a Memorandum of Understanding (MoU) with Yunan TV in China for content exchange, and are now in the midst of looking at collaborating with one of the biggest 24-hour-news outfits. Yet we remain focused and with our feet firmly on the ground. Our divestment of TV3 Ghana is a signal we sent to the market that we are consolidating our media platforms right here, thereby strengthening our market position.

We have also made it a point to continuously support culture and the arts. In fact the NSTP has since time immemorial been doing exactly that in its pages and activities. Theatre performances, art exhibitions and poetry recitals are only some of the ongoing programmes supported by the NSTP.



# chairman's statement cont'd





Media Prima is looking strategically at promoting culture and the arts as part of its corporate responsibility (CR). Media Prima believes that culture mirrors society. In our pursuit of economic greatness and with our penchant for changing the skylines of our cities, we need a cultured populace and those who appreciate arts. We also believe that by helping creative people we are also ensuring a continuous training and learning process for them. We must not forget the contribution of these people to the creative content industry of the nation. They are part of the ecosystem that has created a vibrant and robust entertainment industry.

Our subsidiary company, Primeworks Studios, is well aware of the intricacies of the content industry. We believe not just in setting trends in films, music, theatre, TV and drama, but that the cultural content industry can be a rewarding economic activity.

There is massive potential for content, for it transcends borders and race. Popular culture can penetrate global markets due to low lingual, geographical and racial barriers. While we recognize our peoples' acceptance of Hollywood, Hindi, Hong Kong films, *sinetron* from Indonesia and *telenovelas* from Latin American countries, we hope we can make Malaysia a new creative star on the world stage.

Our CR, I must add, extends to other areas as well, particularly to those in dire need. We have taken advantage of the popularity of some of our programmes — *Bersamamu* and *Aduan Rakyat* on TV3 — to help the poor and underprivileged, and to be the eyes and ears of the *rakyat* (people). We have responded responsibly to natural calamities.

Joint NSTP-Media Prima efforts (Tabung Bencana NSTP- Media Prima) were evident in flood-affected areas in the northern states and in Johor recently. Our people have gallantly braved hardships to be with the victims.

I must happily report that at Media Prima we have been working extra hard to reach out to Chinese communities, as well as burning the midnight oil to entice the Malay and Indian communities. We believe we have a role to play in nation building. We are not just a media company. We believe in helping to shape the destiny of our people.

We believe that through our platforms we can help inculcate patriotism and the feeling of oneness. We believe in the concept of 1Malaysia as a clarion call to unite our people.



We understand the power of the media in uniting the people and not dividing them and the role we can play to nurture the true spirit of unity and *muhibbah* (togetherness). We hope to use our platforms to bind our people. The future of our people depends on how they live and work together and how they think as one.

We have taken a middle path in all our arguments and positions. We believe in managing race relations delicately. We also believe that understanding each other is crucial to the survival of this beloved nation. We have manifested this conviction in our programmes, in our newspapers and in the way we conduct our business. At the corporate level, we certainly would like to portray Media Prima as a truly 1Malaysia company, in composition and in deed.

Underpinning all these CR efforts — and our business efforts too — is a wholehearted commitment to good governance. Ethical conduct must be a key criterion in every decision we make, and we must be open about how we run our operations. The time is always right to do the right thing, and unless we practice integrity, accountability and transparency, we are nothing.

Overall, our corporate philosophy is simple: nothing is too good for the public. It is our business to achieve this not just profitably, but efficiently and ethically by balancing our economic and social goals.

Looking ahead, we are in a league of our own, one of the most respected media companies in the country and, as one analyst puts it, on the road to be one of the most admirable mid-cap companies on the bourse and at the same time the winner of many awards for governance and such.

Beginning last year, we have been merging the NSTP into the Media Prima realm, almost effortlessly. The result is encouraging so far. The integration process, while still under way, has delivered spectacular results. When we decided to take the audacious step to merge, our detractors believed it was a mistake of colossal proportions. We are talking about two cultures with differing histories and baggage.

We have proved them wrong. Judging by the financial results alone, we have achieved what our founders could only have dreamt of — the best ever results in the history of Media Prima and the best ever for the NSTP too. The merger is one that had created anxieties and uncertainties even in the minds of the most optimistic, but thanks to everyone involved, we have achieved what we hoped for.

At least for now, we have added value to our platforms, taken advantage of our new ability to sell ourselves as a single integrated entity, and achieved economies of scale beyond our wildest dream. Our advertisers and sponsors have responded positively and that has largely been translated into encouraging financial results.

At Media Prima, we believe the future is now. We are constantly preparing our people to be proactive, to anticipate future challenges and to adjust accordingly. We believe in reinventing ourselves. And we believe our people are our most valuable asset. We trust in them as much as they trust in us. The Media Prima brand is achievable only with their tireless support.

We aspire to provide them with not only the latest, state-of-the art, cutting-edge technology to achieve the best results, but to train them continuously. We believe that, to be ahead, we must plan and think ahead. We are in the creative content industry. We are producing creative, innovative works. We need to stay ahead of our competitors. We need to be the best. We cannot afford to falter. Failure is not an option. In the competitive business that we are in, only the best and the brightest will prevail.

To all the *karyawan* of Media Prima, I offer congratulations for their contributions and hard work. I also commend the man at the helm of this company, Dato' Amrin bin Awaluddin for his exemplary leadership and tireless dedication. Many people have helped Amrin propel this company to greater heights, Dato' Sri Farid bin Ridzuan, Datuk Ahmad bin Abd Talib, JP, Dato' Anthony@Firdauz Bujang and many others whose names I could only mention with admiration and whose work evokes in me nothing less than a sense of pride in being part of this blessed company.

Jikalau tidak dipecahkan ruyung, masakan dapat sagunya. That's the Malay way of acknowledging hard work.

I must also take this opportunity to congratulate my fellow board members (including those in our subsidiary companies) whose wisdom and guidance have helped me and Amrin and the senior managers in our collective pursuit of excellence.

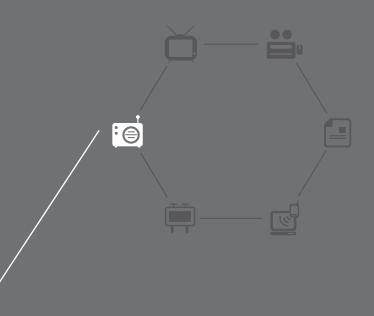
The year 2010 has been an outstanding one. Let's pray for a still better 2011. Let's set a new marker of achievement. To go further, I believe in going together. *Bersatu kita teguh, bercerai kita roboh*. Unity is strength. That is the dogma that encompasses the spirit of this company.

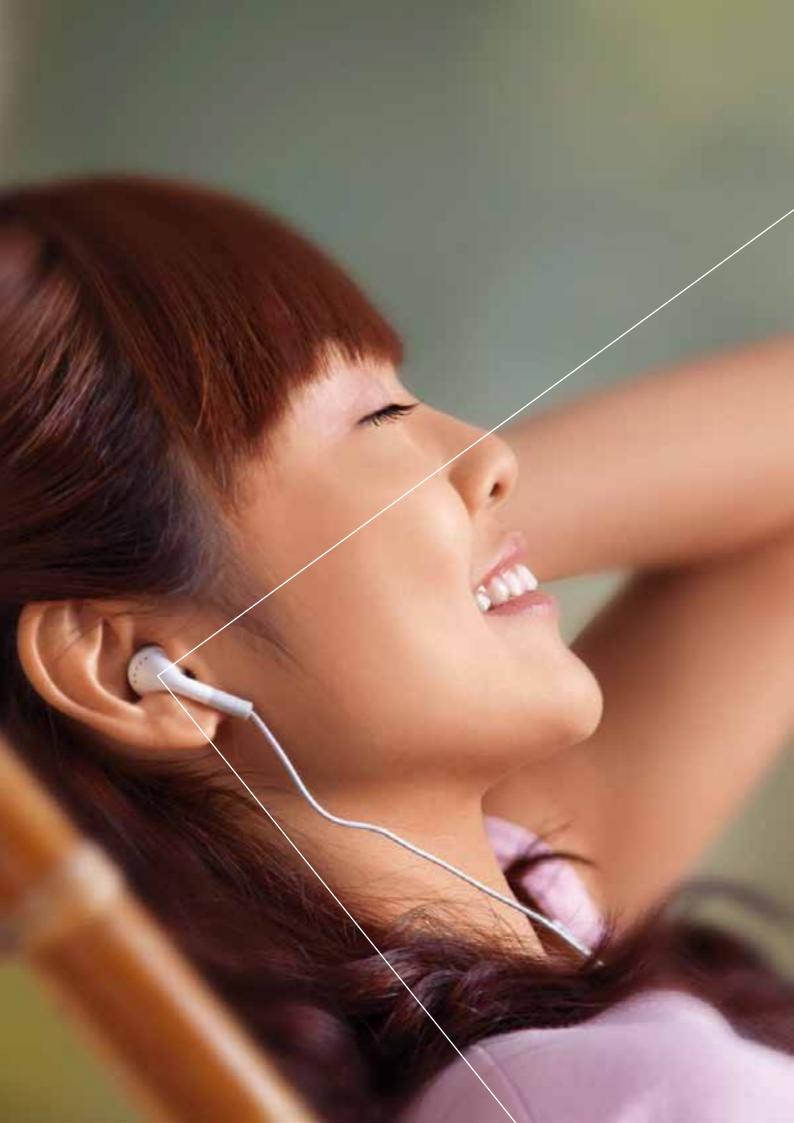


Terima Kasih Datuk Johan Bin Jaaffar

# entertain

New online media allow our audiences to access an astonishing array of movies, music, sports and dramas – anytime, anywhere.





# review of operations



"In 2010, our ongoing focus on investing in compelling content continued to enable us to expand our core audiences and increase revenue from our core capabilities. But the year also saw us moving in new directions so as to provide a seamless multimedia landscape that integrates our offerings in ways that catch a new generation of consumers."



Dear Shareholders.

Today, consumers access news, information and entertainment from a variety of competing media, and the greatest single challenge for media groups is the ability not only to provide relevant content, but to reach consumers across multiple platforms.

This challenge creates outstanding opportunities for Media Prima for, as well as delivering exceptional content, we are the only media house in ASEAN to have a comprehensive and fully integrated range of media platforms including TV, print, radio, outdoor and online. This enables us to capitalise on rising Internet and broadband penetration in Malaysia, which is facilitating a convergence of our products in the digital media space to the benefit of our consumers. It also empowers us to offer total, integrated and irresistible one-stop solutions to our advertisers.



DATO' AMRIN BIN AWALUDDIN

Group Managing Director Media Prima Berhad

# review of operations cont'd

# **BOOSTING OUR RESULTS**

2010 was a stellar year for the Group. Our growth far outstripped that of any of our rivals, and we achieved our highest ever revenue and Profit after Tax and Minority Interest (PATAMI).

The 12 months ended 31 December 2010 saw revenue leap more than 100%, surpassing the RM1 billion mark for the first time, to hit RM1,546.6 million compared to RM744.0 million the previous year.

Meanwhile, profit before tax rose to RM295.3 million, 7% up on the RM275.8 million achieved in 2009. PATAMI jumped 24% to RM242.3 million compared to RM194.8 million the year before.

Excluding the negative goodwill arising from the acquisition of The New Straits Times Press (Malaysia) Berhad (NSTP), PATAMI from continuing operations recorded a huge advance from RM35.7 million in 2009 to RM188.4 million in 2010.

Our strong performance was the result of the acquisition and consolidation of NSTP coupled with the strong contributions and growth by all our media platforms, which include television, radio, outdoor and new media. In addition, the relatively buoyant economy and the tremendous support of our consumers, advertisers and partners played a vital role in the Group's results. The figures also reflect the strategies we have implemented to consolidate operations, effectively manage costs and diversify revenue sources.

Given these outstanding results, in acknowledgment of the support of our shareholders, the Board is delighted to recommend a final singletier dividend of 6 Sen per share, in addition to the 4 Sen interim singletier dividends paid in December 2010, making the total dividend payout for the year 10 Sen per share.

Looking forward, these results, together with our low gearing and solid cash position, put us in a powerful position to deliver sustainable value-creation and business growth in the years ahead to the benefit of all our stakeholders.

# WIDENING OUR HORIZONS

In 2010, the Group expanded further with the addition of The New Straits Times Press (Malaysia) Berhad (NSTP) and Kurnia Outdoor Sdn Bhd (Kurnia) to our portfolio of investments.

# De-Listing and Exit Offer of The New Straits Times Press (Malaysia) Berhad

Media Prima extended a voluntary general offer to acquire all the remaining ordinary shares of RM1.00 each in NSTP not already owned by Media Prima for an offer price of RM2.40 per NSTP share. The offer comprised the issuance of six ordinary shares of RM1.00 each in Media Prima at an issue price of RM2.00 each and one free warrant in Media Prima for every five NSTP shares accepted. The exit offer and take-over were completed on 14 September 2010. Subsequently NSTP was delisted on 27 September 2010.

This exercise was the last step in our acquisition of NSTP and has facilitated its total integration into the Group. Under the acquisition, the editorial, management and board of Media Prima and NSTP remain mutually independent, just as with the Group's other subsidiaries, so as to retain individual identities and brands while simultaneously benefiting from the efficiencies brought about by revenue, cost and marketing synergies.

Established in 1845, NSTP is Malaysia's oldest and largest newspaper publisher with a distinguished heritage and a history that reflects that of the nation itself. Today, NSTP aspires to be a pre-eminent provider of news, information and entertainment. We look forward to growing NSTP to its optimum operational capacity so as to maximise profitability.

# Acquisition of Kurnia Outdoor Sdn Bhd and Jupiter Outdoor Network Sdn Bhd

On 12 November 2009, Media Prima entered into agreements to acquire the country's second largest outdoor advertising company, Kurnia and Jupiter Outdoor Network Sdn Bhd (Jupiter) (collectively known as Kurnia Group). The acquisition not only strengthens our hold on concession-based advertising sites but, more importantly, it provides further access to the high-end and key market centre sites where the Kurnia Group currently operates.

The acquisition involves the purchase of 1,000,000 ordinary shares in Kurnia and 57,500 shares in Jupiter for an aggregate purchase consideration of RM46.37 million. Under the terms of the purchase, Media Prima will initially acquire an 80% equity stake in the Kurnia Group, with the remaining 20% to be acquired over the subsequent two-and-a-half years.

The Kurnia Group holds several exclusive outdoor advertising concessions on major expressways as well as strategically located buildings and private properties/land in key market centres. It has an established presence in the market, a strong brand name, especially among high-end advertisers, and an accomplished track record in the outdoor advertising business.

The acquisition will strengthen and consolidate our leadership position in the outdoor advertising business, and we expect to derive synergistic benefits from collaborative marketing strategies between the outdoor segment and other media platforms within the Group.

# **Acquisition of Balance of Max-Airplay Sdn Bhd Shares**

In December 2010, our wholly-owned subsidiary Perintis Layar Sdn Bhd (PLSB) entered into an agreement to acquire the remaining 25% equity interest in Max-Airplay Sdn Bhd, which is now a wholly-owned subsidiary of PLSB.

# **DELIVERING COMPELLING CONTENT**

The ever-changing market requires us to continue reinventing ourselves to ensure that we remain the media provider of choice both for consumers and advertisers. Above all, this means delivering relevant, compelling, high quality content, and our stated objective is to become the nation's premier content developer and provider.



# review of operations cont'd



MEDIA PRIMA BERHAD

As in more developed markets, when the local media industry comes close to saturation, there is a shift towards content creation. This presents a golden opportunity for our exceptionally talented content-creation arm Primeworks Studio Sdn Bhd (Primeworks).

Our Print Division is also in the business of content-creation, so that our library of content is daily expanding.

In 2010, Primeworks — the largest production house in the country — continued to support the local content industry by delivering highly-rated, award-winning programmes and ground-breaking content, as well as producing selected content in High Definition (HD). The year also saw the release by Primeworks' Grand Brilliance studio of several local and foreign blockbuster movies such as 'Evolusi KL Drift 2' which won multiple awards at the Malaysian Film Festival 2010 and Anugerah Skrin 2010.

# Primeworks Total production hours 2010

Magazine	2,461
Entertainment	2,127
Chinese Entertainment	494
Sports	180
Total	5,262

In the coming years, we will be enhancing the quality of Primeworks' output further; distributing the studio's output across multiple platforms; and creating Malaysian content not just for the local but for the regional and international markets. Looking forward, we confidently expect to see Primeworks contributing more significantly toward the Group's revenues.

As well as developing new content, we are seeking to capitalise on our existing library of local content through content-sharing initiatives. In early April 2010, we entered into an agreement with Telekom Malaysia (TM) to be one of the main content providers for TM's recently launched Internet Protocol Television (IPTV). In June 2010, we signed a Memorandum of Understanding (MoU) with Indonesia's PT Surya Citra Televisi (SCTV) to foster closer cultural ties and understanding between both nations and to exchange and cooperate in the joint production of content. Then, in November 2010, we signed an MoU with YTL Communications Sdn Bhd (YTL) for YTL to host our local content on its next generation TV service, thus making Malaysian content available on new TV platforms.

# **ENHANCING OUR MEDIA**

Today, the Group's media platforms are ubiquitous. You read the paper over breakfast, then while you wait at the traffic lights on your way to work, your eyes are caught by a digital billboard. You switch on the radio and a conversation you hear prompts you to go online to follow the subject up on Facebook. That evening, you browse through a few media portals before settling down in front of a favorite TV show. And every one of these media experiences may well have been provided by Media Prima.

But it is about more than just having a comprehensive range of media. It is about how our media interact, catalysing ideas and creativity and directly involving audiences. In this way, the media experience is infinitely enriched.

# TV

We are already the network with the largest television viewership, and the reach of our TV Networks is constantly expanding. TV is no longer just an on-air affair. For years we have had a powerful on-ground presence, and we now have a compelling presence in the virtual world as well. By integrating with other platforms, television is also an increasingly personalised and consumer-driven medium.

In 2010, Media Prima's TV networks — TV3, 8TV, ntv7 and TV9 — continued to be the Group's chief revenue driver. Together, they accounted for a full 47% of Malaysia's viewership, and won an astounding 90% of the nation's free-to-air (FTA) advertising, with FTA advertising spend growing by 18% during the year as it gradually returned towards pre-2008 levels (source: Nielsen Audience Measurement).

In May, we implemented the Accenture Integrated Broadcast System. This state-of-the-art system streamlines and simplifies our broadcast management processes to achieve better time to market, higher productivity and efficiencies in our core broadcast operations.

The system increases scheduling flexibility and benefits our advertisers by giving our airtime and programme schedulers a common, virtually real-time view of programmes, promotions and advertisement schedules, enabling them to sell advertising space closer to air date.

In November, we unveiled our range of compelling content for 2011 at our annual Network Screenings event that showcased a huge variety of high-appeal shows ranging from award-winning US TV series and top Asian dramas to locally developed favourites. As in previous years, our commitment to screening high quality local content helped to encourage and nurture the local content development industry.

In 2011, we plan to maintain our market dominance by strengthening our brand orientation and expanding our reach by leveraging our assets through new media channels.

# TV3

The Group's flagship station, TV3 delivers bold and innovative mass market programming, skewed towards Malay audiences with progressive mindsets.

Despite stiff competition and the introduction of new channel offerings by competitors, in 2010 TV3 once again maintained its clear lead as the nation's single most watched TV station with an audience share of 45.1% on FTA TV and 28.1% on Pay-TV (source: Nielsen Audience Measurement). Not surprisingly, given these exceptional viewership ratings, the network attracts strong support from advertisers, achieving an ADEX share of RM 1.161 billion in 2010.

During the year, TV3 broadcast a balance of outstanding foreign content (such as movies, dramas, sitcoms and documentaries) and quality local content, to deliver nearly all of the nation's top twenty programmes.

# review of operations cont'd

# TOP PROGRAMMES IN 2010 ACROSS ALL CHANNELS

	<i>/</i>	-
NO	PROGRAMME	CHANNEL
1	Anugerah Juara Lagu	TV3
2	Anugerah Bintang Popular	TV3
3	Piala 2 AFF Suzuki Cup	TV1
4	Mentor Akhir	TV3
5	Persandingan Kayangan	TV3
6	Anugerah Skrin	TV3
7	Mentor Raya	TV3
8	Piala 2 AFF Suzuki Cup	TV1
9	Mentor	TV3
10	New Year Mega Movie	TV3
11	Telemovie Anugerah Skrin	TV3
12	My Starz LG Final	TV3
13	Buletin Utama	TV3
14	Movie Raya	TV3
15	Syawal Pertama	TV3
16	Perlawanan Akhir Bola Sepak	TV1
17	Istimewa Maal Hijrah	TV3
18	999	TV3
19	Seram	TV3
20	Titah Seri Paduka Baginda Yang Di-Pertuan Agung	TV3

Source: Nielsen Audience Measurement

The network achieved an amazing run of prime-time successes, with its magazine programmes and signature entertainment and variety shows attracting millions of viewers. A major move was to extend its prime time into the morning and afternoon fringe by investing in programmes that deliver high viewership while simultaneously providing integration with the client's brand.

The station also reinforced its own brand through various on-air and on-ground events, such as the highly successful Karnival Jom Heboh which in 2010, visited Kelantan for the first time. In 2010, the carnival attracted some 750,000 visitors (source: "Pemantuan Polis Di Raja Malaysia").

Moving forward, TV3 will once again leverage on compelling programming as well as focusing on effective branding to reach out successfully to its mass audiences.

# ntv7

ntv7's rise to the status of an entertainment powerhouse has seen the channel successfully carve a niche for itself in the highly competitive Malaysian urban households, 25-45 year old, children and Chinese markets. Nielsen Audience Measurement data shows ntv7 to have garnered an impressive 19.1% share of mass Chinese viewership in 2010.

2010 was marked by many industry firsts, the most notable being the launch of the country's first Chinese entertainment industry awards, the *Golden Awards*. The year also witnessed the launch of the *Yuan Carnival*, the station's first and the nation's biggest carnival catering to Chinese communities, attracting 100,000 visitors from six venues.

ntv7 continues to be regarded as the Home of Feel Good, with award-winning local content, while the station's news and current affairs coverage was further strengthened by the introduction of *Global Watch*, the first ever Mandarin midnight news programme. This made ntv7 the station that produces the most Mandarin news in the country.

Looking ahead, ntv7 will continue to offer a powerful line-up of local and syndicated programmes. Indeed, in 2011, more than 50% of these programmes will be made up of local content, such as high quality dramas and lifestyle and reality shows.

# 8TV

8TV further consolidated its position as the No. 1 — and fastest growing — network in its target market of young urban Malaysians, Chinese, and 15-29 english literacy viewers. In 2010, the network garnered over 8.2% of urban viewers and over 21.3% of Chinese viewers. Staying true to its "We Are Different" tagline, the station once again brought viewers a selection of fantastic shows combining the best of Hollywood, Asia and the local scene, as well as fostering local talent via a profusion of local content developed during the year.

The station also capitalised on new media to attract an enormous online following. The 8TV Showdown 2010 Facebook page now has over 160,000 followers with an average of 9,000 posts updated daily by fans. 8TV also has over 400,000 followers on Facebook via the 8TV, 8TV Quickie, Ultimate Power Group and other fan pages.

The network continued to leverage on its on-ground activities to woo audiences from all walks of life. Websites, mobile devices, print, radio and other platforms, were used to build publicity, while the 8TEAM went all out to promote the station, giving away goodies and entertaining the public with fun filled games.

For the future, the network plans to produce more groundbreaking content, to continue to set new trends, and to boost its partnership with the street dance community locally and around the world, fostering young urban and Chinese talent.

# TV9

With its mass market appeal, skewed towards young semi-urban and rural Malays, since its inception in 2006, TV9 has evolved into a young and vibrant station. In line with its new tagline, "Di Hatiku", it has become the country's No.2 FTA station and a hit channel amongst children. Among TV9's exciting current line-up are Akademi Al-Quran, Idola Kecil, Berita Adik, Upin & Ipin, Dia Bukan Maryam, 3 Hari 2 Malam, Apa Saja...FBI, 6 Progresif, Hip TV, Galaksi, Chopp!! and many more.

In its quest to find seamless and easy ways to deliver rich experiences to its viewers, in 2010 TV9 unveiled a brand new prime time slot, Raudhah, a fitting name that encompasses an array of bold yet light Islamic-related programmes such as *Tanyalah Ustaz, Halaqah, Semanis Kurma and Adik & Al-Quran*.



# review of operations cont'd



MEDIA PRIMA BERHAD

To further strengthen TV9's positioning for 2011, it will continue to focus on the young mass Malay and the semi urban markets without neglecting its existing loyal viewers. This will deliver a vibrant, fresh look and feel, with a concentration on entertainment, drama, comedy and reality genres to cater to the needs of the target segments.

# TV3 Ghana

In line with our strategy to focus on domestic operations, in January 2011, Media Prima entered into an agreement to divest its 90% equity interest in TV3 Networks Limited, Ghana (TV3 Ghana) for a total consideration of approximately RM8.63 million (USD2.8 million). The divestment is expected to be completed by the third quarter of 2011.

# **PRINT**

Media Prima's Print Division has the largest total circulation and readership in peninsular Malaysia. Capitalising on this, NSTP focused during the year on improving business efficiency by keeping costs low and profits high and maximising its exposure among Malaysians through its newspapers.

Looking ahead, the Division will be improving its content and branding while simultaneously achieving further integration with Media Prima. Consolidating the company's strengths, the main thrusts of NSTP's five-year strategic business plan are to maximise its potential by optimising its operations and structure, and diversifying as well as enhancing its current product offerings to create new value.

NSTP is also focusing on its people through talent management, succession planning and staff engagement as a means to transform itself into a sustainable and high-performance company. As part of its strategic plan, new cross-functional teams are being formed to unleash the full potential of its people, talents and brands.

In addition to continued improvements to its traditional media platforms, NSTP is looking seriously at rapidly expanding its exposure in the new media segment. NSTP may collaborate with third parties to provide mobile and internet applications to the public, with the company providing content and third parties contributing their technology and back-end know-how.

# **New Straits Times**

March saw the unveiling of a refreshed *New Straits Times* (NST) brand that clearly positioned the newspaper as the natural choice for the government and corporate sectors, the intelligentsia, young professionals, students and anyone who wants different perspectives. Launched via an integrated A&P campaign encompassing all media including outdoor, TV, radio and print, the enhanced brand was well received by readers.

With a circulation of 107,513 copies (source: Audit Bureau of Circulations, Jan-June 2010), NST is currently read by 241,000 readers (source: Nielsen Media Index Q2 2010). NST's online following stood at 147,000, equivalent to 10.8% of Malaysia's online newspaper readers (source: Nielsen Media Index Q2 2010).

# Harian Metro

Targeted at New Malays, 20-39 year olds, and all dynamic and progressive Malaysians, in 2010 NSTP's Malay daily, *Harian Metro*, retained its pole position as Malaysia's No.1 newspaper. Daily circulation averaged above 398,000 copies with a total of more than 510,000 copies circulated on Sundays for *Metro Ahad* (source: Audit Bureau of Circulations, Jan-Dec. 2010). Circulation and readership figures are still growing.

Harian Metro's online readership reached 373,000 or 27.3% of national online newspaper readership, making it the nation's second most popular Bahasa Malaysia newspaper portal after Berita Harian (source: Nielsen Media Index 2010).

# **Berita Harian**

Appealing to Malaysians from all walks of life — from working class to students, housewives, business people and decision makers — *Berita Harian* also made its presence felt in the new media arena. The *Berita Harian* website is the No.1 news portal in the country with a readership of 414,000, equivalent to 30.3% of total national online newspaper readership (source: Nielsen Media Index Q2 2010).

The average daily circulation of *Berita Harian* at 166,400 copies (source: Audit Bureau of Circulations, Jan-June 2010) reached a total of 1.09 million readers daily (source: Nielsen Media Index Q2 2010). The paper is currently undergoing a rebranding exercise, with the new product scheduled to be launched in the second quarter of 2011.

# RADIO

The Group's radio networks now have the second largest reach in terms of combined Malaysian radio channel listener numbers.

Radio today is no longer just about listening to songs and news. To stay relevant and attractive to Generation Y- the advertisers' favourite target - radio must stay up to date with listeners' interests, and it must converge with other media.

Our radio networks are constantly on the ground to track trends and engage in conversation with listeners. At the same time we are leveraging on the growth of online media. The Group's new TonTon portal offers an amazing opportunity for our radio networks to boost revenue and continuously engage with the audience. Through TonTon, our listeners can now interact with us via social networking sites, view our radio personalities and enjoy lots of other activities and content that can be developed together with our clients.

# Hot FM

Hot FM is the nation's favourite radio station attracting some 3.5 million listeners (source: Nielsen Radio Audience Measurement, Wave 2, 2010). Targeting young and fun 15-34 year olds, the station remained the No.1 choice for the under 35 demographic and has a significantly higher profile for urban listeners than its closest competitor.

# review of operations cont'd

As a Malay-language station that promotes local music, Hot FM has a powerful appeal for urban Malay listeners and also has the highest combined number of PMEBs (Professionals, Managers, Executives, Businessmen), students and high income households (RM5000/month and more) listening in. Hot FM AM Krew (6am -10am), Hot FM Jam (4pm - 8pm) and Hot FM Zon (8pm - midnight) continued to appeal to Generation Y, each remaining the most popular slot in its belt among the under 35s.

Complementing its other initiatives to support the local music industry, in January 2010, the station launched a special segment called *Hot FM Kita Punya*, providing a platform for new artistes and bands to showcase their music.

# FIV FM

With its emphasis on discovering and nurturing local music talent, and its powerful appeal to hip urban youths and adults aged 15-34, in 2010 Fly FM further strengthened its position as Malaysia's No.2 English language radio station, with around a quarter of its listeners being Chinese (source: Nielsen Radio Audience Measurement).

Listenership increased to almost 730,000 people a week. There was a 20% increase in PMEB and white collar listenership, and a 27% jump in the 20-34 year old demographic. The station also achieved a 65% surge in listeners with a household income of more than RM5,000, and this segment now comprises around 20% of the station's entire listenership. Meanwhile, thanks to a 20% growth in central region listenership, 80% of the station's listenership is now urban (source: Nielsen Radio Audience Measurement, Wave 2, 2010).

# One FM

Our Chinese language station One FM, which focuses on young, fun Chinese listeners aged 15-34, achieved the highest increase in listenership of all the Media Prima Radio Networks. Around 625,000 people now tune in - up some 22% on last year - with almost 90% of them from urban areas.

The station recorded a 50% growth in listeners in the northern region and 42% in the southern region, as well as 35% growth among PMEBs and students. Listenership increased for all belts, with the afternoon and rush-hour showing gains of 60% and 40% respectively. (Source: Nielsen Radio Audience Measurement Survey.) As well as steadily rising listenership, there has been a further major jump in time spent listening.

The network mainly draws listeners under 36, who make up more than 70% of its audience, and the latest changes in the station's programme line-up have unquestionably contributed to the year's impressive results.

# OUTDOOR

With the consolidation of our outdoor brand assets, the Division — represented by Big Tree Outdoor, Kurnia Outdoor, UPD and The Right Channel — continued its impressive growth, reinforcing its leadership of the outdoor advertising sector.

During the year, against fierce competition, market share rose from 41% in 2009 to 43% in 2010, and new concessions were acquired, such as from the Kuching and Kota Kinabalu International Airports, which are expected to further boost the Division's earnings contribution. The move into airports supports the Division's strategy of offering advertisers an integrated outdoor advertising solution including not just billboards but public transport, airports and retail spaces.

The Division is also pioneering an enhanced level of creativity, finding imaginative ways of redefining what can be used as advertising space, such as by wrapping pillars and even water tanks. In addition, the move in key locations from conventional posters, to plasma screens and LCDs with animation capabilities gives further scope to creativity, and for the first time encourages consumers to interact with the medium. Digital signage can also be integrated with other media such as the internet and mobile platforms, adding a whole new dimension to the future scope of the industry.

In October, Big Tree Outdoor was recognised as the top out-of-home medium of the year in a survey by Advertising & Marketing magazine in which it emerged as the Marketers' Favourite Media Company In Targeting Specific Groups. In the survey, Big Tree Outdoor attracted a significant 37.5% of client marketer votes to top the rankings for the second year running.

# **NEW MEDIA**

The Group's new media arm, Alt Media, hosts Southeast Asia's largest online video serving portal, penetrating deep into internet-based viewership.

In 2010, the Division rose to fresh heights with the recently introduced TonTon, a world-class video portal which provides a cutting-edge online quality viewing experience that offers the individualism of customised content plus the interactivity of social networking. Capitalising on the shift towards consumption of online content, TonTon has to-date garnered over 1.2 million registered users plus an average of five million page views per month, just five months into the launch. In addition, the Intelligent Media Platform feature (an advanced viewer profiling system), offers advertisers the ability to focus their advertising on their precise target market.

With the success of Media Prima's five mobile sites (TV3, TV9, ntv7, 8TV and gua.com.my), the LIVE broadcast stream service launched on mobile by Alt Media in November 2009 for TV3 and TV9 is now enjoyed by over 30,000 subscribers.

All the TV portals plus gua.com.my were also revamped in 2010 with a fresh and vibrant new look. Meanwhile, an N8 widget browser, launched in October 2010, was created for TV3 and 8TV and pre-installed in all Nokia N8 devices.

Another innovation was the live streaming of numerous big-ticket TV events like *Anugerah Juara Lagu, Golden Awards, Shout! Awards* and *Anugerah Skrin.* Incorporating social networking mediums such as Facebook and Twitter during the live streams successfully created viewer interaction, enhancing hype and awareness.

Leveraging our assets through new media channels which engage our audience in ways they want — such as TonTon — not only expands our audience reach, it also enhances our advertising platform.

# TV portal web viewership 2010

Average Page Views		8,308,071
Average Unique Views		2,045,545
Average Video Views*	A	1,192,364

<sup>\*</sup>Since the launch of TonTon October-November 2010

The Division's future is bright. As well as monetising its online portals and online subscription business, it is now in a strong position to merge its online expertise with major offline brands.

# **ADVERTISEMENT EXPENDITURE (ADEX)**

2010 witnessed a healthy growth in the nation's ADEX, which rose from RM628 million in January to RM1.017 billion in December, to bring the total for the year to RM9.610 billion (source: internal).

This impressive level of growth was driven by the Government's efforts to accelerate economic growth, the healthy rise in Malaysia's Gross Domestic Product (GDP), and improved consumer sentiment.

We also believe that the enhancements the Group made to its media assets during the year further spurred advertisers to boost their efforts to enhance their market share — which in turn translated to a higher Group ADEX share.

The last 12 months, however, have seen an impressive widening of our revenue base. Thanks both to the Group's acquisition of the remaining equity in NSTP and to an increasing contribution by all our other media platforms, in 2010, the revenue contribution from our non-TV media rose from 19% to 51% - a large part of this contribution being attributable to ADEX.

# STRATEGISING OUR FUTURE

To strengthen our media platforms, in 2011 we will consolidate our TV networks and print operations; expand our radio, outdoor and online operations; and enhance the synergies and cross-promotions within the Group's stable of media assets. Meanwhile, we will continue to invest prudently in all our media brands to maintain growth in our revenue and earnings performance. And we will strive to minimise costs and maximise operational efficiencies.

To survive and prosper we must constantly stay ahead of the game. This means generating relevant, high-quality content that responds to society's need for hopes, dreams, information and entertainment. It also means responding fast to the changes in social behaviour and market dynamics resulting from the influence of new media like iPads, smart phones and IPTV.

Key to our future success will be killer content which can travel across platforms and across borders. In the coming years our TV content will expand beyond TV. Our radio content will move beyond 'voice/radiobox' to become genuinely interactive and engaging. Our print media will follow readers by moving into online media and achieving clear market segmentation. Our outdoor media will become increasingly creative and digital instead of poster-based. And all our traditional platforms will be supported and complemented by our New Media Division catering to Generation Y and Generation Z.

In the year ahead, we will continue to unlock and monetise the potential of our vast library of archived TV and print content. Our media platforms and portals will also be entering into further agreements with various Pay TV operators and other mobile providers for the distribution and sale of content. This will have a strong appeal for a new generation that is willing to pay for the convenience of enjoying content anywhere, anytime, be it on their mobile phones, PDAs or broadband-connected media.

Here in Malaysia, widespread digital rollout via High Speed Broadband, digital transmission and Long Term Evolution technology in the communication sector such as 4G will further spur content consumption.

Regionalisation is another goal, and 2011 will see us expand selectively into regional markets either by exporting content or via smart partnerships and collaborations involving our TV, print and radio operations. We will also take advantage of Government incentives and support to develop local content for the global market.

Whilst our content may serve primarily as information and entertainment, our programming and media platforms nonetheless reach out to more than 22 million Malaysians. Because we view corporate responsibility as the basis of business sustainability, we are acutely conscious of the impact we have on the communities around us and ever mindful of our profound responsibility to exercise a good influence for the betterment of the society at large.

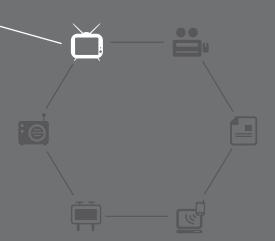
# DATO' AMRIN BIN AWALUDDIN

Group Managing Director Media Prima Berhad



While our traditional media ratings continue to rise,

we are building the loyalty of a younger generation with content-rich online entertainment and news using fast-paced visuals, eye-catching computer animations and arresting headlines.





# calendar of events

7 March 2010
On UNICEF's International
Children's Day of Broadsating
2010, TV3 airs an interview with Prime Minister Datuk Seri Najib Tun Razak by kids on *Buletin Utama*, and a documentary 'Terubuk Masin Untuk PM' in honour of the PM

**24 February 2010** With the posting of solid results, Media Prima is poised for further growth

nedia p



# the dark

26 March 2010
The lights go out at Media Prima in support of Earth Hour 2010



19 March 2010 Media Prima contributes to Bandar Tasik Putri Community Library with its book donation drive



2 April 2010
TV3, ntv7, 8TV & TV9 return to Africa to fuel the World Cup 2010 football madness



**7 April 2010**Media Prima contributes to the family of the late Din Beramboi

**29 April 2010**Dato' Sri Farid bin Ridzuan speaks about 'Marketing After Recession Economy' at the My Events-Sime Darby Leaders' Forum

# **15 April 2010**Media Prima holds its AGM



lardeting after recession econ-

# Press Conference

# yarahan Perdana Putra



# Media Prima net p jumps to RM45.6m

19 May 2010 Media Prima records strong revenue and earnings growth for the first quarter of 2010

# [8 May 2010

Media Prima officially partners with the inaugural Syarahan Perdana Putrajaya (SPP) which features Prof. Dr. Ali Al'Amin Mazrui, a prominent figure in both the Muslim world and the West



**22 May 2010**Media Prima TV Networks send 'Return to Africa' contest winners to South Africa for the World Cup

# calendar of events cont'd

26 May 2010

Media Prima implements the Accenture Integrated Broadcast System

Bloomberg

INVEST IN REMARKABLE

Media Prima Berhad Implements Accenture Integrated Broadcast

2 June 2010 Media Prima rallies staff for the 'Save Our Beach' cleanup at Sungai Rengit, Johor

L June 2010

Media Prima celebrates Milk Day
by giving out free milk drinks to employees at Sri Pentas

9 June 2010 Media Prima organises Malam Puisi Gaza



**L8 June 2010**Media Prima showcases its new and returning kids' shows at its Kids Screening

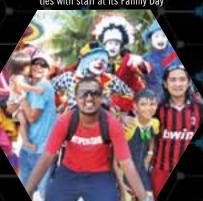




29 June 2010 Media Prima and Surya Citra Televisi (SCTV), Indonesia reach for closer ties



**LO July 2010**Media Prima celebrates family ties with staff at its Family Day





24 July 2010 Media Prima adopts its first primary school: SK Cherating





6 August 2010
Alt Media, Media Prima's
New Media arm launches TonTon



19 August 2010
In partnership with UNICEF, Media Prima and NSTP appeal for humanitarian aid for flood victims in Pakistan



2 September 2010

Media Prima shares the love of reading with children in paediatric wards of Universiti Kebangsaan Malaysia Medical Centre (UKMMC) and Universiti Malaya Medical Centre (UMMC)

# 23 August 2010

Media Prima reports a strong surge in revenue and earnings growth for the first half of 2010



27 Septem 6er 2010

Media Prima holds Management Talk
with Sir Richard Branson

MEDIA PRIMA BERHAD



2 October 2010

Media Prima shares the spirit of
Hari Raya with children at SK Cherating







8 October 2010

Media Prima signs MoU with the State of Melaka in support of 'Melaka Maju'



**22 October 2010**Media Prima's Television Networks unveil their plans for 2011



3 November 2010

Media Prima and NSTP deploy aid and launch a fund for flood victims in Malaysia's northern states

November 2010
Staff on a rescue mission for flood victims in the northern states in Malaysia

8 November 2010

Media Prima receives
Special Recognition for its
'Sustainability Report'
at ACCA MASRA 2010





**16 November 2010**Media Prima presents a cheque to UNICEF for Pakistan flood relief

**15 November 2010**Media Prima's Primeworks Studios signs
MoU with YTL Communications



**26 Novem 6er 2010**Dato' Amrin bin Awaluddin receives the Chairman's Award at the Kancil Awards 2010

# staff, community w

December 2010

Media Prima receives a Special Award
for the media reporting category at the
Prime Minister's CSR Awards 2010

14 December 2010

Media Prima receives A-rating and a Media
Industry Award at the Minority Shareholder
Watchdog Group (MSWG) Awards 2010

# 3 December 2010 Media Prima announces its

acquisition of the remaining equity interest in Max-Airplay Sdn Bhd





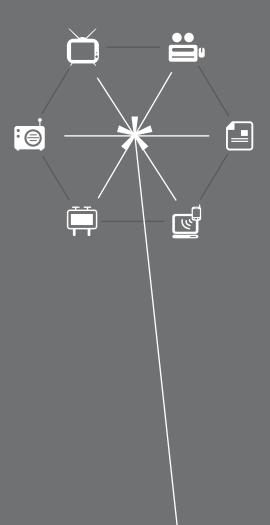


# 17 December 2010

Media Prima welcomes members of Dewan Negara to Sri Pentas

# redefine

While our traditional media ratings continue to rise, we are building the loyalty of a younger generation by continually redefining our media offerings with content-rich online entertainment and news using fast-paced visuals, eye-catching computer animations and arresting headlines.





# awards & recognition



THE EDGE
BILLION RINGGIT CLUB 2010
MEDIA PRIMA BERHAD

ACCA
ACCA MALAYSIA
SUSTAINABILITY REPORTING AWARDS
(Masra) 2010 SHORTLIST
MEDIA PRIMA BERHAD













PRIME MINISTER'S CSR AWARDS
2010
SPECIAL AWARD FOR MEDIA
REPORTING
MEDIA PRIMA BERHAD

MRSM IDEAPRENEUR PROGRAM 2010 Innovative Angel Media Prima Berhad MINORITY SHAREHOLDERS
WATCHDOG GROUP (MSWG)
MALAYSIAN CORPORATE
GOVERNANCE INDEX 2010
INDUSTRY EXCELLENCE
INDEX 2010
MEDIA PRIMA BERHAD

NATIONAL ANNUAL
CORPORATE REPORT AWARDS
(NACRA) 2010
RECIPIENT OF
CERTIFICATE OF MERIT
MEDIA PRIMA BERHAD
ANNUAL REPORT 2009

AWARDS	CATEGORY	RECEIVER
Prime Minister's CSR Awards 2010	Special Award for Media Reporting	Media Prima Berhad
Malaysian Corporate Governance Index 2010 by Minority Shareholders Watchdog Group	Top 100 Companies     Industry Excellence Award for Media	Media Prima Berhad
MRSM Ideapreneur Program 2010	Innovative Angel	Media Prima Berhad
NACRA Award 2010	Certificate of Participation	Media Prima Berhad
ACCA MaSRA 2010	Merit Recognition	Media Prima Berhad
KANCIL Awards 2010	Chairman's Award	Dato' Amrin bin Awaluddin
Promaxbda Asian Conference 2010	Award For Best Movie Promo	Primeworks Studios —Creative Services Department (Gold) — Mega Movie June
	Award For Best Interstitial	Primeworks Studios — Creative Services Department (Silver) — Free Palestine With Aizat
UNICEF International Children's Day In Broadcasting (ICDB) Awards	Regional Prizes For Television	TV3 — Terubuk Masin Untuk PM
Putra Intelek Lifetime Achievement Awards 2010	Recognition Towards Environmental Risks Initiatives	Karam Singh Walia (TV3)
Anugerah Penghargaan Media PDRM	Penghargaan Agensi Anti Dadah Kebangsaan	Azmah Dahari, Ing Boon Seng & Suriani Megat Deraman (TV3)
Anugerah Penghargaan Media SPRM	Penghargaan Media Krew Terengganu dan Kelantan	Azmah Dahari
MSC Kre8tif Industry Awards	Best Animation and Best Visual Effects (VFX)	TVC — tonton.com.my
Phoenix Awards 2010	Opening Credits/Titles for TV Programme	8TV (Silver) — Shout Awards 2009
	Campaign to Promote Feature Film / TV Series	8TV (Silver) – Legend of Bruce Lee
	Campaign to Promote Feature Film / TV Series	8TV (Bronze) – Desperate Housewives Year 5
Putra Brand Awards 2010	Media & Entertainment	8TV (Silver) TV3 (Bronze)
Shout! Awards 2010	Favourite TV Programme	8TV – Showdown 2010
	Best On Screen Chemistry	8TV — Wakaka Crew vs Giller Battle Crew Showdown 2010 (Nominated)
	Fresh TV Series	8TV — Blogger Boy (Nominated)
	Favourite TV Programme	8TV — One in a Million 3 (Nominated)
	Favourite TV Personality	8TV — Henry Golding — Quickie (Nominated)
	Power Vocal Award	Primeworks — Faizal Tahir
15th Annual Asian Television Awards (ATA)	Best Entertainment (One-Off/Annual) Special	8TV — Shout Awards 2009 (Nominated)
	Best Entertainment (One-Off/Annual) Special	8TV —Ultimate Power Group (Nominated)
	Best Drama Performance By An Actor in a Leading Role	8TV — The Adjuster — Lee Cheng Yun (Nominated)
	Best Editing	8TV — The Adjuster (Nominated)

# awards & recognition cont'd

AWARDS	CATEGORY	RECEIVER
15th Annual Asian Television Awards (ATA) Leading Role	Best Drama Performance by an Actor in a (Nominated)	ntv7 — Frederick Lee - Glowing Embers
	Best Drama Performance by an Actress in a Supporting Role	ntv7 — Susan Liang - My <i>Kampong</i> Days (Nominated)
	Best Drama Performance by an Actor in a Supporting Role	ntv7 — Zzen Zhang - My <i>Kampong</i> Days (Nominated)
Seoul International Drama Awards	Jury's Special Prize	8TV - Ghost 2
Korea Tourism Organisation	Best Media Partner	8TV
Golden Awards	Best Current Affairs Presenter / Host (Non Drama Categories)	8TV — Owen Yap
	Best Magazine Program (Non Drama Categories)	8TV — My Home
	Best Reality Program (Non Drama Categories)	8TV — Ultimate Power Group
	Best Variety & Entertainment Program (Non Drama Categories)	8TV — Double Triple Or Nothing
	Best Reality Program Host (Non Drama Categories)	8TV — Project SuperStar3 — Cheryl Lee
	Most Popular Host (Non Drama Categories)	8TV – Gary Yap
	Best Newcomer (Non Drama Categories)	8TV – Yise Loo– Goodnight DJ
	Best Actress (Drama category)	ntv7 — Yeo Yann Yann - The Iron Lady
	Best Supporting Actress (Drama category)	ntv7 — Seck Fook Yee - The Iron Lady
	Best Supporting Actor (Drama category)	ntv7 — Ernest Chong - Exclusive
	Best Drama (Drama category)	ntv7 —The Iron Lady
	Best Actor (Drama category)	ntv7 — Melvin Sia - Romantic Delicacies
	Best Drama Theme Song (Drama category)	ntv7 —The Iron Lady theme by You Di
	Best Current Affairs Programme (Non Drama Categories)	ntv7 — Siasat Mandarin — Case Of Migrants
	Best Variety & Entertainment Program (Host) (Non Drama Categories)	ntv7 — Owen Yap (Deal Or No Deal)
	Best Magazine Programme (Non Drama Categories)	ntv7 – Host: Chan Wei Wei Finding Angels/ntv7
	Most Popular Drama (Viewers' choice category)	ntv7 —The Iron Lady (Malaysian TV series)
Anugerah Juara Lagu ke-24	Juara Lagu	Primeworks (2nd Runner up) — Faizal Tahir
	Best Vocalist	Primeworks — Black
Anugerah Bintang Popular Berita Harian 2009	Pengacara TV Wanita Popular	TV3 — Fara Fauzana - Melodi
	Artis Baru Lelaki Popular	Primeworks — Black
Anugerah Industri Muzik	Best Rock Album	Primeworks — Adrenalin Faizal Tahir
	Best Album	Primeworks — Faizal Tahir

AWARDS	CATEGORY	RECEIVER
Anugerah Skrin 2010	Best Reality Show	8TV — Showdown 2010, Ep.10
	Best Drama Comedy	TV3 — Simpang Tiga
	Best Drama Series	TV3 – Nur Kasih
	Best Musical Show	TV3 — Anugerah Juara Lagu Ke-24
	Best Special Report/News Show	TV3 — Aduan Rakyat: Berbumbung Langit
	Best Supporting Actress Drama	TV3 — Fadilah Mansor - <i>Sebelum Akhirat</i>
	Best Drama Actor	TV3 — Fauzi Nawawi — <i>Sebelum Akhirat</i>
	Best Drama Director	TV3 – Murali Abdullah <i>(Sebelum Akhirat)</i>
	Best Supporting Actor in Film	Primeworks – Aaron Aziz - <i>Evolusi</i> KL Drift 2
	Best Supporting Actress in Film	Primeworks – Fazura - <i>Pisau Cukur</i>
	Best Screenplay	Primeworks – Syamsul Yusof - <i>Evolusi</i> KL Drift 2
	Best Entertainment Programme	Berita Harian — <i>Anugerah Bintang Popular</i>
2010 Malaysia Film Festival	Best Actor	Primeworks — Shamsul Datuk Yusof - Evolusi KL Drift 2 (nominated)
	Best Actress	Primeworks — Maya Karin - <i>Pisau Cukur</i> (nominated)
	Best Editor	Primeworks — Hisham Jupri & Shamsul Datuk Yusof - <i>Evolusi</i> KL Drift 2
	Best Supporting Actor	Primeworks — Shaheizy Sam - <i>Evolusi</i> KL Drift 2
	Best Original Music Score	Primeworks — James Baum - <i>Evolusi</i> KL Drift 2 (nominated)
	Best Comedy Film	Primeworks — <i>Pisau Cukur</i> (nominated)
	Most Promising Actor	Primeworks — Redza Minhat -Pisau Cukur & Remy Ishak -Evolusi KL Drift (nominated)
	Best Art Arrangement	Primeworks — Shah Aznan Zainun - Evolusi KL Drift 2 (nominated)
	Best Poster	Primeworks — Pisau Cukur (nominated)
MSC Malaysia Kreative Industry Awards	Best VFX Director	Alt Media (Gold) — TonTon TVC
	Best VFX	Alt Media (Gold) — TonTon TVC
Ministry Of Domestic Trade And Consumer Affair Media Awards	Domestic Trade, Cooperatives and Consumerism Ministry's Top Media Award	New Straits Times — Sonia A. Ramachandran
	Best Print Media	New Straits Times
Malaysian Press Institute-Petronas Journalism Awards 2009	Best Photography Award	New Straits Times — NSTP Photographer — Fathil Asri

# awards & recognition cont'd

AWARDS	CATEGORY	RECEIVER
2010 Film Industry Appreciation Night	Finas Award (English)	New Straits Times (2nd Place) - Meor Shariman Meor Shafie - Reel Mess
	Finas Award (English)	New Straits Times (3rd Place) - Sheridan Mahavera Mohamad Shakir - All Set for World-Class Malaysian Culture
	Finas Award (Bahasa Malaysia )	Berita Harian (1st Runner Up) — Zainuri Misfar
	Finas Award (Bahasa Malaysia)	Berita Harian (2nd Runner Up) — Akmal Abdullah
Health Media Award 2010	Health Journalist Award (Top Prize)	Harian Metro — Norlaila Hamima Jamaluddin
Universiti Malaysia Sabah Education	Best Education Journalist (English category)	News Sraits Times — Roy Anthony Goh
Journalism Award	Best Education Journalist (Bahasa Malaysia category)	Berita Harian — Mohd Azrone Sarabatin
	Best Education Journalist (Bahasa Malaysia category)	Berita Harian (consolation) — Hasan Omar
	Best Photography Journalist	Berita Harian (consolation) — Datu Ruslan Sulai
18th Kinabalu Shell Press Award	Main Journalism Award	Berita Harian — Hassan Omar
	News Reporting Award	Berita Harian — Hassan Omar
	Environmental Journalism Award	Mohd Azrone Sarabatin (Berita Harian)
	Sports Journalism Award (Consolation Prize)	Berita Harian — Hassan Omar
	Business & Economic Reporting Award	Berita Harian — Mohd Azrone Sarabatin
	Entertainment Reporting Award	New Straits Times —Jaswinder Kaur Kler
	Sports Photography	New Straits Times — Edmund Samunting
	Best Picture Award	New Straits Times — Datu Ruslan Sulai
	Consolation Prize	Berita Harian —Suzianah Jiffar
	Consolation Prize	New Straits Times – Roy Goh
Journalism Awards KAWAT -EXXON MOBIL	Short Story Category	Berita Harian (Winner)— Mohd Nazmi Yaakub
	Short Story (Teens) Category	Berita Harian (Winner)- Hafizah Iszahanid
2nd Langkawi Tourism Industry Awards 2009	Outstanding Tourism Article	New Straits Times- Travel Times stringer - Alan Teh Leam Seng
Bandar Sri Damansara Residents' Association (BSDRA)	Strategic Media Partner Award	New Straits Times Streets Harian Metro
Malaysian Press Institute Petronas Journalism Awards 2009	Best Photography	New Straits Times Press (Malaysia) Berhad Fathil Asri (Photographer)

AWARDS	CATEGORY	RECEIVER
Finas Award		New Straits Times - Meor Shariman Meor Shafie     (second prize for "Reel Mess")
		New Straits Times - Sheridan Mahavera     Mohamad Shakir (third prize "All Set for     World-Class Malaysian Culture")
		3. Berita Harian - Zainuri Misfar (Bahasa Malaysia section)
		4. Berita Harian - Akmal Abdullah (Bahasa Malaysia section)
Anugerah Media Kesihatan 2010	Anugerah Wartawan Kesihatan Terbaik	HARIAN METRO — Norlaila Hamima Jamaluddin
Anugerah Kewartawanan Pendidikan Universiti Malaysia Sabah 2009	1. Kategori Bahasa Melayu	1. Berita Harian— Mohd Azrone Sarabatin
Ulliversiti Malaysia Sabali 2005	2. Kategori Bahasa Inggeris	2. New Straits Times — Roy Anthony Goh
	3. Sagu Hati Kategori Bahasa Melayu	3. Berita Harian — Hassan Omar
	4. Saguhati Kategori Fotografi	<ol> <li>The New Straits Times Press (Malaysia) Berhad</li> <li>Datu Ruslan Sulai (Jurugambar kumpulan)</li> </ol>
ExxonMobil 2009		1. Berita Harian — Mohd Nazmi Yaakub (Hadiah Utama Kategori Cerpen)
		2. Berita Harian - Hafizah Iszahanid (Hadiah Utama Kategori Cerpen Remaja)
Anugerah Media Universiti Putra Malaysia (UPM) 2010		1. Berita Harian (Anugerah Utama Organisasi — Liputan Media Bahasa Melayu Tertinggi)
		<ol> <li>Berita Harian — Khairina Yasin (Berita Terbaik)</li> </ol>
		<ol> <li>Berita Harian – Rosniza Md Taha @ Abd Rahman (Penulis Berita Produktif)</li> </ol>
		4. Berita Harian — Hazwan Faisal Mohamad (Wartawan Harapan)
		5. New Straits Times — Anugerah Liputan Media Bahasa Inggeris Tertinggi
		6. New Straits Times — Mischael Sun Kok Keong (Penulis Terbaik Bahasa Inggeris)
		7. Harian Metro — Shamran Saharan (Anugerah Rencana Terbaik)

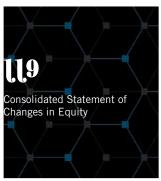
## awards & recognition cont'd

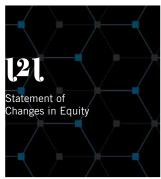
AWARDS	CATEGORY	RECEIVER
Anugerah Kenyalang Shell 2010	1. Juara Kategori Penulisan	1. Berita Harian — Misiah Taib
	2. Tempat ke-2 penulisan Berita Inggeris	2. New Straits Times — Cheng Lian Hiok
	Tempat pertama laporan alam sekitar, tempat kedua laporan sukan dan tempat ketiga laporan berita	3. Berita Harian — M Hifzuddin Ikhsan
Anugerah Kementerian Perdagangan Dalam Negeri,	1. Media Terbaik kategori Piala Menteri	1. New Straits Times — Sonia Kamachandra
Koperasi dan Kepenggunaan	2. Media Terbaik - Kategori Media Cetak	2. New Straits Times
National Award for Management Accounting (NAfMA)	Winner	The New Straits Times Press (Malaysia) Berhad (NSTP)
Universiti Putra Malaysia (UPM) Media Award 2010	Anugerah Utama Organisasi — Liputan Media Bahasa Melayu Tertinggi	Berita Harian
	Top News	Berita Harian — Khairina Yasin
	Productive News Journalist	Berita Harian — Rosniza Md Taha @ Abd Rahman
	Wartawan Harapan	Berita Harian — Hazwan Faisal Mohamad
	Best English Media Coverage Award	New Straits Times
	Best English Writer	New Straits Times — Mischael Sun Kok Keong
	Best Article	Harian Metro — Shamran Saharan
2010 Kenyalang Shell Press Award	Main Journalism Award	Berita Harian (Winner)— Misiah Taib
	English News Writing	New Straits Times (2nd Runner Up)— Cheng Lian Hiok
	Environmental Reporting	Berita Harian (Winner) — M Hifzuddin Ikhsan
	Sports Reporting	Berita Harian (1st Runner Up)— M Hifzuddin Ikhsan
	News Reporting	Berita Harian (2nd Runner Up)— M Hifzuddin Ikhsan
	Broadcast Journalism	TV3- Araffie Igat
	2. Health News Reporting	
National Award for Management Accounting (NAfMA)	Winner (National Award for Management Accounting)	New Straits Times
Bandar Sri Damansara Residents' Association (BSDRA)	Strategic Media Partner Award	New Straits Times — New Straits Times Streets
	Strategic Media Partner Award	New Straits Times — New Straits Times Streets

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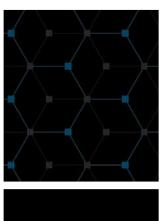
Statement by Directors

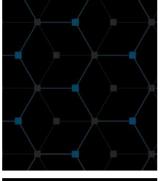
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## directors' report

The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

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

The principal activities of the subsidiaries and associates are set out in Note 27 and Note 28 to the financial statements respectively.

#### **FINANCIAL RESULTS**

	GROUP RM'000	COMPANY Rm'000
Net profit for the financial year from continuing operations Losses from subsidiaries held for sale	250,618 (1.592)	86,361
Net profit for the financial year	249,026	86,361
	= 10,1=1	
Attributable to:		
Owners of the Parent	242,294	
Non-controlling interest	6,732	
Net profit for the financial year	249,026	

#### **DIVIDENDS**

The dividends paid or declared by the Company since 31 December 2009 were as follows:

		RM'000
(1)	In respect of the financial year ended 31 December 2009, a final single tier dividend of 5.6 sen per ordinary share	
(-/	on 977,629,440 ordinary shares, paid on 14 July 2010	54,747
(2)	In respect of the financial year ended 31 December 2010 interim single tier dividend of 4.0 sen per share	
	on 1,002,199,770 ordinary shares, paid on 31 December 2010	40,088
		04.025
		94,835

The Directors had on 23 February 2011 recommended the payment of a final single tier dividend of 6.0 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company on 20 April 2011, and will be paid on 13 July 2011 to shareholders registered on the Company's Register of Members at the close of business on 15 June 2011.

#### **RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

#### **ISSUANCE OF SHARES**

During the financial year, 61,350,241 new ordinary shares of RM1.00 each were issued by the Company comprising:

- (a) 416,013 ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM434,000 has been credited to the Share Premium reserve.
- (b) 8,804,081 (2009: 605,600) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.46, RM1.55, RM1.80 and RM1.98 per option. The premium arising from the exercise of ESOS of RM9,254,000 (2009: RM303,000) has been credited to the Share Premium reserve.
- (c) 52,130,147 (2009: 90,929,040) ordinary shares of RM1.00 each pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad by the Company. The premium arising from the issuance of shares of RM45,519,000 (2009: RM56,376,000) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

#### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

As approved by the shareholders of the Company on 17 December 2009, the Company had, on 23 March 2010, issued RM150,000,000 nominal value of 5-year 4.95% Redeemable Fixed Rate Bonds together with 50,000,000 detachable warrants as disclosed in Notes 17 and 18 of the financial statements respectively.

#### **EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

The Company's ESOS approved by the shareholders on 7 January 2005 which was effective on 11 January 2005 for a period of five (5) years, had expired on 10 January 2010 ('2005 MPB ESOS').

During the current financial year, the shareholders had, on 15 April 2010, approved a new ESOS effective on 14 May 2010 for a period of five (5) years ('2010 MPB ESOS'). The 2010 MPB ESOS will expire on 13 May 2015.

Details of the ESOS are set out in Note 12 to the financial statements.

The Company has been granted an exemption by the Companies Commission of Malaysia via a letter dated 19 January 2011 from having to disclose in this report, the names of the persons to whom ESOS have been granted during the financial year and details of their holdings pursuant to Section 169 (11) of the Companies Act, 1965 except for information on employees who were granted options representing 300,000 ordinary shares and above.

## directors' report cont'd

#### EMPLOYEES' SHARE OPTION SCHEME ("ESOS") cont'd

There were 10 people who were granted options representing 300,000 ordinary shares and above during the financial year as disclosed below:

	NUMBER O	F OPTIONS OVER ORDI	NARY SHARES OF RM1.	OO EACH
	AT 14 MAY 2010 (EFFECTIVE DATE OF 2010			AT
	MPB ESOS)	GRANTED	EXERCISED	31.12.2010
	'000	'000	'000	'000
Dato' Amrin Awaluddin	_	650	_	650
Dato' Sri Ahmad Farid Ridzuan	_	500	_	500
Dato' Anthony @ Firdauz Bujang	_	500	_	500
Datuk Ahmad Abd Talib	_	400	_	400
Zainul Arifin Mohammed Isa	_	375	_	375
Datuk Kamal Khalid	_	300	_	300
Mohammad Azlan Abdullah	_	300	_	300
Mohamad Ariff Ibrahim	_	300	_	300
Ahmad Izham Omar	_	300	_	300
Paul James Sapwell	_	300	_	300

#### **DIRECTORS**

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

Datuk Johan Jaaffar
Dato' Amrin Awaluddin
Dato' Sri Ahmad Farid Ridzuan
Datuk Ahmad Abd Talib
Shahril Ridza Ridzuan
Tan Sri Lee Lam Thye
Tan Sri Mohamed Jawhar
Dato' Abdul Kadir Mohd Deen
Dato' Gumuri Hussain

Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor

In accordance with Articles 100 and 101 of the Company's Articles of Association, Shahril Ridza Ridzuan, Tan Sri Mohamed Jawhar and Dato' Gumuri Hussain retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

#### **DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS (see Note 7 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 7 to 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.

#### **REMUNERATION COMMITTEE**

The Remuneration Committee concluded the annual review of the overall remuneration policy for Directors, the Group Managing Director and the Senior Management Officers whereupon recommendations are made to the Board of Directors for approval. The members of the Remuneration Committee at the date of this Report comprise:

- Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor (Chairman)
- Dato' Abdul Kadir Mohd Deen
- Tan Sri Lee Lam Thye
- Shahril Ridza Ridzuan

#### **DIRECTORS' INTERESTS**

According to the Register of Directors' shareholdings, particulars of interests of Directors who held office as at the end of the financial year in shares and options over ordinary shares in the Company are as follows:

options over ordinary shares in the company are as follows:							
		NUMBER OF ORDINARY	SHARES OF RM1.00 EAC	CH			
	AS AT			AS AT			
	1.1.2010	ADDITIONS	DISPOSALS	31.12.2010			
	'000	'000	'000	'000			
Dato' Amrin Awaluddin	189	100	_	289			
Dato' Sri Ahmad Farid Ridzuan	190	350	(100)	440			
	NUMBE	R OF OPTIONS OVER OR	DINARY SHARES OF RM1	1.00 EACH			
	AS AT			AS AT			
	1.1.2010	GRANTED	EXERCISED	31.12.2010			
	'000	'000	'000	'000			
Dato' Amrin Awaluddin	100^	650#	(100)^	650			
Dato' Sri Ahmad Farid Ridzuan	350 <sup>^</sup>	500#	(350)^	500			
Datuk Ahmad Abd Talib	_	400#	_	400			

<sup>^</sup> Option price of RM1.55 per share from the 2005 MPB ESOS

Other than as disclosed above, according to the Register of Directors' shareholdings, none of the other Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company and its related corporations during the financial year.

#### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

<sup>#</sup> Option price of RM1.80 per share from the 2010 MPB ESOS

## directors' report cont'd

#### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS cont'd

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the Notes to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

#### **AUDITORS**

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 8 March 2011.

DATUK JOHAN JAAFFAR Chairman DATO' AMRIN AWALUDDIN GROUP MANAGING DIRECTOR

## **statements of comprehensive income** for the financial year ended 31 December 2010

	GRI	OUP	COMI	PANY
NOTE	2010 Rm'000	2009 Rm'000 Restated	2010 RM'000	2009 RM'000
Continuing operations				
Revenue 2	1,546,643	744,029	159,306	193,813
Other operating income	16,927	10,171	100,000	133,013
Finance income 4	4,348	888	2,328	363
Programmes, film rights and album production costs	4,040	000	2,020	303
- Amortisation	(182,527)	(194,387)	_	_
- Write off	(400)	(6,522)		_
Other direct costs	(311,914)	(75,609)		_
Employee benefits costs 5	(421,345)	(162,399)	(19,682)	(9,653)
Advertising and promotion expenses	(32,280)	(17,109)	(520)	(310)
Transmission rental and expenses	(37,130)	(34,631)	(320)	(310)
Repairs and maintenance	(23,281)	(12,516)	(109)	(200)
Utilities	(14,996)	(15,731)	(98)	(111)
Professional and consultancy fees	(17,051)	(4,501)	(1,518)	(1,320)
Rental of premises	(17,031)	(10,916)	(1,310)	(1,320)
License fees	(9,556)	(8,327)	_	_
Property, plant and equipment	(3,330)	(0,327)	_	_
- Depreciation	(86,825)	(45,051)	(1,238)	(813)
- Net impairment reversal/(charge)	1,188	(12,828)	(1,230)	(013)
- Write off	(75)	(906)	_	_
- Wite off - Net gain/ (loss) on disposal	5,322	(342)	_	_
Investment properties	3,322	(342)	_	_
- Depreciation	(2,250)	(301)		
- Impairment	(1,782)	(4,081)	_	_
- Net gain on disposal	346	165	_	_
Impairment of receivables	340	103	_	_
- Trade and other receivables	(2,411)	(12,489)		
- Amounts due from subsidiaries	(2,411)	(12,403)	_	(3,157)
Bad debts written off	_	(17,769)	_	(3,137)
Fair value gain on financial assets at fair value through profit or loss/	_	(17,703)	_	_
reversal of diminution in value of investment	362	294		
Amortisation of acquired rights	(10,932)	(5,207)	_	_
Negative goodwill from acquisition of a subsidiary 38(i)	55,444	216,115	_	_
Distribution expenses	(33,134)	210,113	_	_
Other editorial charges	(19,898)	_	_	_
Other operating expenses	(87,351)	(46,260)	(2,683)	(7,089)
Other operating expenses	(07,331)	(40,200)	(2,003)	(7,009)
Profit from continuing operations 6	321,712	283,780	135,786	171,523
Finance cost 4	(32,597)	(24,449)	(29,106)	(22,666)
Share of results of an associate	6,196	16,513	-	
· · · · · · · · · · · · · · · · · · ·		10,010		
Profit before taxation	295,311	275,844	106,680	148,857
Taxation 8	(44,693)	(23,988)	(20,319)	(38,171)
indiction 0				
Net profit for the financial year from continuing operations	250,618	251,856	86,361	110,686

# **statements of comprehensive income** cont'd for the financial year ended 31 December 2010

	GRO	DUP	COMI	PANY
NO	2010 TE RM'000	2009 Rm'000 Restated	2010 RM'000	2009 RM'000
Discontinued operations/ subsidiaries held for sale				
Losses from subsidiaries held for sale 40(b)(	(i) (1,592)	(95,294)	-	-
Gain on disposal of subsidiary held for sale		38,238		
	249,026	194,800	86,361	110,686
Adjustment to losses from subsidiary held exclusively for sale, allocated to non controlling interest		13,577	<u>-</u> .	
Net profit for the financial year	249,026	208,377	86,361	110,686
Other comprehensive income/(expense):				
Available-for-sale financial assets	119	-	-	-
Currency translation differences	2,370	(39)	<del>-</del> .	
Other comprehensive income/(expense) for the financial year, net of tax	2,489	(39)	<del>-</del> .	
Total comprehensive income for the financial year	251,515	208,338	86,361	110,686
Profit attributable to: - Owners of the Parent - Non-controlling interests	242,294 6,732	194,800 13,577		
	249,026	208,377		
Total comprehensive income attributable to: - Owners of the Parent - Non-controlling interest	244,979 6,536	194,815 13,523		
Total comprehensive income for the financial year	251,515	208,338		

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 8.

		GROUI	P
		2010	2009
	NOTE	RM'000	RM'000
Basic earnings per share (sen) for:	9(a)		
- net profit from continuing operations		24.74	29.37
- net losses from subsidiary held for sale		(0.16)	(6.65)
- net profit for the financial year		24.58	22.71
Diluted earnings per share (sen) for:	9(b)		
- net profit from continuing operations		22.84	29.34
- net losses from subsidiary held for sale		(0.15)	(6.65)
- net profit for the financial year		22.69	22.69

The accounting policies on pages 124 to 140 and the notes on pages 141 to 206 form an integral part of these financial statements.

# statements of financial position as at 31 December 2010

	_		GROUP		COM	PANY
	NOTE	2010 RM'000	2009 RM'000	2008 RM'000	2010 RM'000	2009 RM'000
	NOTE	Kiii 000	RESTATED	RESTATED	KM 000	KW 000
NON-CURRENT ASSETS						
NON CONNENT MODELO						
Property, plant and equipment	25	728,748	767,605	218,885	1,466	2,677
Investment properties	26	57,850	63,829	16,512	_	_
Subsidiaries	27	_	_	_	1,324,403	1,257,378
Associates	28	212,374	206,178	347,444	_	_
Amounts due from subsidiaries	34	_	_	_	423,508	_
Prepaid transmission station rentals		1,882	2,162	2,622	_	_
Available-for-sale financial assets/investments	31	1,120	3,636	2,393	_	_
Intangible assets	30	381,830	403,076	179,084	_	_
Deferred tax assets	24	56,491	39,286	19,445	_	_
						• • • • • • • • • • • • • • • • • • • •
		1,440,295	1,485,772	786,385	1,749,377	1,260,055
CURRENT ASSETS						
CURRENT ASSETS						
Inventories	32	108,515	123,141	35	_	_
Trade and other receivables	33	344,869	325,267	280,180	667	2,026
Amounts due from subsidiaries	34	_	· —	_	92,253	528,576
Amounts due from an associate	36	_	_	843	_	_
Tax recoverable		3,773	1,430	3,814	5,960	_
Financial assets at fair value through profit or loss	29	3,253	_		_	_
Deposits, cash and bank balances	35	317,931	149,924	51,083	135,145	38,397
		778,341	599,762	335,955	234,025	568,999
Assets held for sale	40	16,482	180	42,402	_	_
		794,823	599,942	378,357	234,025	568,999
			000,042			
TOTAL ASSETS		2,235,118	2,085,714	1,164,742	1,983,402	1,829,054

# statements of financial position cont'd as at 31 December 2010

	GROUP			COMPANY		
	NOTE	2010 RM'000	2009 Rm'000 Restated	2008 Rm'000 Restated	2010 RM'000	2009 RM'000
NON-CURRENT LIABILITIES						
Bank guaranteed medium term notes	17(i)	99,226	165,630	163,990	99,226	165,630
Redeemable fixed rate bonds	17(ii)	145,008	_	-	145,008	-
Interest bearing bank						
borrowings - Term loans	19(a)	201,000	215,119	49,589	201,000	215,000
Hire-purchase and lease creditors	22	13,713	11,876	14,585	_	-
Trade and other payables	23	409	936	950	_	-
Deferred tax liabilities	24	87,844	70,720	20,007		
		547,200	464,281	249,121	445,234	380,630
CURRENT LIABILITIES						
rade and other payables	23	310,975	306,208	191,341	13,420	23,961
Amounts due to subsidiaries	34	_	_	_	6,088	1,485
Amounts due to an associate	36	11,437	5,753	4,282	_	-
Commercial papers	17(i)	_	30,000	137,000	_	30,000
Bank guaranteed medium term notes	17(i)	70,031	_	-	70,031	-
nterest bearing bank borrowings:	4043	44.000	40.000	44045	44.000	44.00
- Term loans	19(a)	14,000	19,229	14,845	14,000	14,00
- Bridging loan	19	_	53,560	-	_	53,56
- Revolving credits	19 19	_	33,000	-	_	-
- Banker's acceptance - Bank overdrafts	19	_	59,172 1,399	1,674	_	-
Current tax liabilities	15	8,043	13,871	18,283	_	963
ourrent tax nabilities					• • • • • • • • • • • • • • • • • • • •	
		414,486	522,192	367,425	103,539	123,969
iabilities of subsidiaries held for sale	40	23,239		8,427		-
		437,725	522,192	375,852	103,539	123,969
EQUITY AND LIABILITIES						
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Share capital	11	1,006,696	945,346	853,811	1,006,696	945,346
Share premium	13	300,004	244,797	188,118	300,004	244,79
Other reserves	14	180,513	178,006	33,900	45,463	44,968
Accumulated losses)/retained earnings	16	(260,063)	(410,042)	(524,527)	82,466	89,34
		1 007 150	050 107	FF1 200	1 404 000	1 204 45
Non controlling interest		1,227,150	958,107	551,302	1,434,629	1,324,45
Non-controlling interest		23,043	141,134	(11,533)		-
		1,250,193	1,099,241	539,769	1,434,629	1,324,45
TOTAL LIABILITIES AND EQUITY		2,235,118	2,085,714	1,164,742	1,983,402	1,829,054
			CEN			
		SEN	SEN			

Net assets per share is calculated by dividing the net assets (excluding portion allocated to non-controlling interest) of the Group by the number of ordinary shares in issue at the statement of financial position date.

The accounting policies on pages 124 to 140 and the notes on pages 141 to 206 form an integral part of these financial statements.

## consolidated statement of changes in equity for the financial year ended 31 December 2010

		ATTRIBUTABLE TO OWNERS OF THE COMPANY  NON-DISTRIBUTABLE						
		_	NON L	REVALUATION			NON-	
		SHARE	SHARE	AND OTHER	ACCUMULATED		CONTROLLING	TOTAL
	NOTE	CAPITAL Rm'000	PREMIUM Rm'000	RESERVES RM'000	LOSSES RM'000	TOTAL RM'000	INTERESTS RM'000	EQUIT
	NUIE	KIN UUU	KIN UUU	KW UUU	KIN UUU	KW UUU	KW UUU	RM'000
Group 2010								
At 1 January 2010		945,346	244,797	178,006	(410,042)	958,107	141,134	1,099,241
Effects of applying FRS 139	46	- -		251	454	705	5	71(
Restated balance		945,346	244,797	178,257	(409,588)	958,812	141,139	1,099,951
Profit and loss		-	_	_	242,294	242,294	6,732	249,020
Other comprehensive income:								
Available for sale financial assets		_	-	117	-	117	2	119
Exchange differences on translation								
of foreign operations		-	-	2,568	-	2,568	(198)	2,37
Reversal of revaluation reserve								
for disposed property		-	_	(924)	924	_	_	
Total comprehensive income		-	-	1,761	243,218	244,979	6,536	251,51
Transaction with owners:								
Exercise of Employees Share								
Option Scheme ("ESOS")	11(b)	8,804	9,254	(2,770)	-	15,288	-	15,28
ESOS granted	12	_	_	33,997	_	33,997	_	33,99
Cancellation of ESOS	12	_	-	(1,142)	1,142	-	_	
Exercise of warrants	11(a)	416	434	(102)	-	748	-	74
Acquisition of further								
interest in subsidiaries	11(c)	31,580	31,751	2,986	_	66,317	(122,981)	(56,66
Shares and warrants not issued								
in previous year, now issued	11(c)	20,550	13,768	(34,318)	_	_	_	
Warrants issued via issuance								
of redeemable bonds		_	_	1,844	_	1,844	_	1,84
Final dividends paid for the				•		·		·
financial year ended								
31 December 2009	10	_	_	_	(54,747)	(54,747)	(846)	(55,59
Interim dividends paid for the	- *				,,		()	,
financial year ended								
31 December 2010	10	_	-	-	(40,088)	(40,088)	(805)	(40,89
Total transaction with owners		61,350	55,207	495	(93,693)	23,359	(124,632)	(101,27
At 31 December 2010		1,006,696	300,004	180,513	(260,063)	1,227,150	23,043	1,250,193

# **consolidated statement of changes in equity** cont'd for the financial year ended 31 December 2010

	_		ATTRIBUTABLE T		IE COMPANY			
		_	NUN-L	REVALUATION			NON-	
		SHARE	SHARE	AND OTHER	ACCUMULATED		CONTROLLING	TOTA
		CAPITAL	PREMIUM	RESERVES	LOSSES	TOTAL	INTERESTS	EQUIT
	NOTE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'00
GROUP								
2009 (RESTATED)								
At 1 January 2009		853,811	188,118	33,900	(524,527)	551,302	(11,533)	539,76
Profit and loss			_	_	194,800	194,800	13,577	208,37
Other comprehensive income:								
Reclassification adjustment								
- exchange differences on foreign								
operation disposed		_	_	(2,379)	_	(2,379)	_	(2,37
Exchange differences on translation				. ,		. ,		. ,
of foreign operations		_	_	2,394	_	2,394	(54)	2,34
otal comprehensive income for the								
financial year		_	_	15	194,800	194,815	13,523	208,33
Fransaction with owners:								
Exercise of ESOS	11(b)	606	303	_	_	909	_	90
ssuance of shares for								
acquisition of a subsidiary	11(c)	90,929	56,376	99,966	_	247,271	139,144	386,41
Shares not yet issued on								
acquisition of a subsidiary		_	_	34,318	_	34,318	_	34,31
ssuance of warrants for				, , ,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, ,
acquisition of a subsidiary		_	_	8,184	_	8,184	_	8,18
Narrants not yet issued for				0,20.		0,20.		0,10
acquisition of a subsidiary		_	_	1,846	_	1,846	_	1,84
Cancellation of ESOS	12	_	_	(223)	223	-,040	_	1,04
Final dividend paid for the financial	12		_	(223)	223	_		
year ended 31 December 2008	10	_	_	_	(42,904)	(42,904)	_	(42,90
Special dividend paid	10	_	_	_	(37,634)	(37,634)	_	(37,63
poorar arriadra para	10				(07,004)	(07,004)		(07,00
Total transaction with owners		91,535	56,679	144,091	(80,315)	211,990	139,144	351,13
At 31 December 2009		945,346	244,797	178,006	(410,042)	958,107	141,134	1,099,24

## **statement of changes in equity** for the financial year ended 31 December 2010

			NON-DISTRIBUTA	ABLE	DISTRIBUTABLE	
		SHARE	SHARE	OTHER	RETAINED	TOTA
	NOTE	CAPITAL Rm'000	PREMIUM Rm'000	RESERVES RM'000	EARNINGS RM'000	EQUIT' RM'001
COMPANY 2010						
2010						
At 1 January 2010		945,346	244,797	44,968	89,344	1,324,45
Effects of applying FRS 139	46	_		_	454	454
Restated balance		945,346	244,797	44,968	89,798	1,324,90
Total comprehensive income for the financial year		-	-	-	86,361	86,36
Transaction with owners:						
Exercise of ESOS	11(b)	8,804	9,254	(2,770)	_	15,28
ESOS granted	12	_	_	33,997	_	33,99
Cancellation of ESOS	12	_	_	(1,142)	1,142	
Exercise of warrants	11(a)	416	434	(102)	, <u> </u>	74
Acquisition of further interest in a subsidiary	11(c)	31,580	31,751	2,986	_	66,31
Shares and warrants not issued in previous year,	(0)	0.,000	0.,.0.	_,555		55,5
now issued	11(c)	20,550	13,768	(34,318)	_	
Narrants issued via issuance of redeemable bonds	11(0)	20,000	-	1,844	_	1,84
Final dividend paid for the financial year ended				1,044		1,0-
31 December 2009	10				(54,747)	(54,74
Interim dividend paid for the financial year ended	10	_	_	_	(34,747)	(34,74
31 December 2010	10	-	_	_	(40,088)	(40,08
Total transaction with owners		61,350	55,207	495	(93,693)	23,35
At 31 December 2010		1,006,696	300,004	45,463	82,466	1,434,62
2009		1,000,000		10,100	02,100	1,101,02
At 1 January 2009		853,811	188,118	843	58,973	1,101,74
Total comprehensive income for the financial year		_	_	_	110,686	110,68
Fransaction with owners:						
Exercise of ESOS	11(b)	606	303	_	_	90
Cancellation of ESOS	12	_	_	(223)	223	
	11(c)	90,929	56,376	_	_	147,30
Acquisition of a subsidiary				24 210		34,31
		_	_	34,318	_	34,31
Shares not yet issued on acquisition of a subsidiary		_ _	_	34,318 8,184	_	
Shares not yet issued on acquisition of a subsidiary ssuance of warrants on acquisition of a subsidiary	es	- - -	- -		- - -	8,18
Shares not yet issued on acquisition of a subsidiary Issuance of warrants on acquisition of a subsidiary Warrants not yet issued for acquisition of a subsidiari	es	- - -	- - -	8,184	- - -	8,18
Shares not yet issued on acquisition of a subsidiary Issuance of warrants on acquisition of a subsidiary Warrants not yet issued for acquisition of a subsidiari	es 10	- - -	- - -	8,184	_ _ _ (42,904)	8,18 1,84
Shares not yet issued on acquisition of a subsidiary Issuance of warrants on acquisition of a subsidiary Warrants not yet issued for acquisition of a subsidiari Final dividend paid for the financial year ended 31 December 2009		- - - -	- - -	8,184	(42,904) (37,634)	8,18 1,84 (42,90 (37,63
Acquisition of a subsidiary Shares not yet issued on acquisition of a subsidiary Issuance of warrants on acquisition of a subsidiary Warrants not yet issued for acquisition of a subsidiari Final dividend paid for the financial year ended 31 December 2009 Special dividend paid Total transaction with owners	10	- - - - - 91,535	- - - - - 56,679	8,184		8,18 1,84 (42,90

The accounting policies on pages 124 to 140 and the notes on pages 141 to 206 form an integral part of these financial statements.

## **statements of cash flows** for the financial year ended 31 December 2010

	_		OUP	COM	PANY
	NOTE	2010 Rm'000	2009 RM'000	2010 Rm'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
OAGIT LOTTO T ROM OF EMATING ACTIVITIES					
Cash flows generated from operations	39	435,421	92,840	(16,238)	30,014
Income tax paid (net of refund)		(51,556)	(44,170)	3,685	(1,925)
Net cash flow arising from operating activities:					
- Continuing operations		383,865	48,670	(12,553)	28,089
- Subsidiaries held for sale	40(b)(ii)	1,881	37,017		
Net cash flow from/(used in) operating activities		385,746	85,687	(12,553)	28,089
OACH ELONG FROM INVESTING ACTIVITIES					
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired:					
- The New Straits Times Press (Malaysia) Berhad ("NSTP")	38(i)	(27)	9,490	(27)	(5,756)
- Kurnia Outdoor Sdn Bhd and Jupiter Outdoor Network Sdn Bhd	38(ii)	(4,103)	(32,033)	(4,103)	(33,388)
- Max-Airplay Sdn Bhd	38(iii)	(2,800)	-	_	-
- One FM Radio Sdn Bhd		_	(11,237)	_	(11,237)
Proceeds from disposal of MPB Primedia Inc Property, plant and equipment		_	48,637	_	_
- Additions		(70,708)	(57,330)	(27)	(3,297)
- Proceeds from disposals		15,506	2,489	(21)	(3,237)
Investment properties		10,000	2,100		
- Additions		(210)	_	_	_
- Proceeds from disposals		2,950	505	_	_
Interest received		4,348	888	2,328	363
Dividends received		103	45,423	163,383	45,373
Net cash flow (used in)/from investing activities arising from:					
- Continuing operations		(54,941)	6,832	161,554	(7,942)
- Subsidiaries held for sale	40(b)(ii)	(909)			
Net cash flow (used in)/from investing activities		(55,850)	6,832	161,554	(7,942)

	GRO	GROUP		ANY
NOT	2010 E RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of:				
- Term loans	(14,000)	(15,297)	(14,000)	(14,000)
- Commercial paper	(30,000)	(197,000)	(30,000)	(197,000)
- Hire-purchase and lease creditors	(6,900)	(5,513)	_	_
- Bridging loan	(53,560)	-	(53,560)	_
- Revolving credit	(33,000)	_	(65,555)	_
- Bankers' acceptance	(132,402)	_	_	_
Drawdown of:	(102,102)			
- Term loan	_	185,229	_	180,000
- Commercial papers	_	90,000	_	90,000
- Bridging loan	_	53,560	_	53,560
- Bankers acceptance	73,230	33,300	_	-
- Hire purchase and lease creditors	1,250	_	_	_
Proceeds from issuance of ordinary shares arising from:	1,200			
- Exercise of warrants	748	_	748	_
- Exercise of ESOS	15,288	909	15,288	909
Proceeds from issuance of redeemable bonds	143,734	303	143,734	303
Restricted bank balances	(2,968)	(4,187)	(2,426)	(2,825)
Interest paid	(27,872)	(24,449)	(19,628)	(21,473)
		(80,538)	(94,835)	(80,538)
	0 <b>(94,835) (1,651)</b>	(80,338)	(94,030)	(00,000)
Dividends paid to non-controlling interests	(1,001)	<del>-</del>	····· <del>·</del>	
Net cash flow (used in)/from financing activities arising from:				
- Continuing operations	(162,938)	2,714	(54,679)	8,633
		2,714	(34,079)	0,033
- Subsidiaries held for sale 40(b)(	(107)		·····-	
Net cash flow (used in)/from financing activities	(163,045)	2,714	(54,679)	8,633
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	166,851	95,233	94,322	28,780
DOKING THE FINANCIAE TEAK	100,031	33,233	34,322	20,700
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES	165	(386)	-	_
CACH AND CACH FOUNDALENTS AT DECIMINING OF THE				
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE	100 000	44.070	25 570	C 700
FINANCIAL YEAR	138,926	44,079	35,572	6,792
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR 3	7 <b>305,942</b>	138,926	129,894	35,572
V V	000,012	100,020	0,001	50,072

## summary of significant accounting policies

for the financial year ended 31 December 2010

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

#### A BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-forsale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and Company's financial statements, are disclosed in Note AB.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 8 March 2011.

#### (a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2010 are as follows:

NO	FINANCIAL REPORTING STANDARDS/IC INTERPRETATIONS	EFFECTIVE DATES
1	FRS 4 "Insurance Contracts"	1 January 2010
2	FRS 7 "Financial Instruments: Disclosures" and the related Amendments	1 January 2010
3	FRS 8 "Operating Segments"	1 January 2010
4	FRS 101 (Revised) "Presentation of Financial Statements"	1 January 2010
5	FRS 123 "Borrowing Costs"	1 January 2010
6	FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments	1 January 2010
7	Amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and	
	FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary,	
	Jointly Controlled Entity or Associate"	1 January 2010
8	Amendment to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"	1 January 2010
9	Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised)	
	"Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation	1 January 2010
10	IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments	1 January 2010
11	IC Interpretation 10 "Interim Financial Reporting and Impairment"	1 January 2010
12	IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions	1 January 2010
13	IC Interpretation 13 "Customer Loyalty Programmes"	1 January 2010
14	IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset,	
	Minimum Funding Requirements and Their Interaction"	1 January 2010
15	Improvements to FRSs (2009)	1 January 2010

A summary of the impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is set out in Note 46 to the financial statements.

The notes to the balances as at 31 December 2008 that were restated due to the change in accounting policy have been disclosed in the financial statements whilst the notes to the unaffected balances have not been included.

#### A BASIS OF PREPARATION con'td

(b) Standards early adopted by the Group

The Group and Company has not early adopted any new accounting standards, amendments and improvements to published standards and interpretations.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

The Group will apply the following new standards, amendments to standards and interpretations from annual period beginning on the effective date stated.

NO	FINANCIAL REPORTING STANDARDS/IC INTERPRETATIONS	EFFECTIVE DATES
1	FRS 3 (Revised) "Business combinations"	1 July 2010
2	FRS 124 (Revised) "Related party disclosures"	1 January 2012
3	FRS 127 (Revised) "Consolidated and separate financial statements"	1 July 2010
4	Amendment to FRS 2 "Share-based payment: Group cash-settled share-based payment transactions"	1 January 2011
5	Amendments to FRS 7 "Financial instruments: Disclosures" and	
	FRS 1 "First-time adoption of financial reporting standards"	1 January 2011
6	Amendment to FRS 132 "Financial instruments: Presentation" on classification of rights issues	1 March 2010
7	IC Interpretation 4 "Determining whether an arrangement contains a lease"	1 January 2011
8	Improvements to FRSs:	
	FRS 2 " Share-based Payments"	1 July 2010
	<ul> <li>FRS 3 (Revised) "Business Combinations"</li> </ul>	1 January 2011
	<ul> <li>FRS 5 "Non-current assets held for sale and discontinued operations"</li> </ul>	1 July 2010
	<ul> <li>FRS 101 "Presentation of financial statements"</li> </ul>	1 January 2011
	• FRS 138 "Intangible Assets"	1 July 2010
	<ul> <li>IC Interpretation 9 "Reassessment of Embedded Derivatives"</li> </ul>	1 July 2010

The Group has applied the transitional provision which exempts entities from disclosing the possible impact arising from the initial application of Amendments to FRS 7 on the financial statements of the Group and Company.

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

(d) Standards, amendments to published standards and interpretation to existing standards that are not yet effective and not relevant to the Group

NO	FINANCIAL REPORTING STANDARDS/IC INTERPRETATION	EFFECTIVE DATES
1	IC Interpretation 12 "Service concession arrangements"	1 July 2010
2	IC Interpretation 15 "Agreements for construction of real estates"	1 January 2012
3	IC Interpretation 16 "Hedges of a net investment in a foreign operation"	1 July 2010
4	IC Interpretation 17 "Distribution of non-cash assets to owners"	1 July 2010
5	IC Interpretation 18 "Transfers of assets from customers"	1 January 2011
6	IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"	1 July 2011
7	Amendments to IC Interpretation 14 "FRS 119 - The limit on a defined benefit assets,	
	minimum funding requirements and their interaction"	1 July 2011

### summary of significant accounting policies cont'd

for the financial year ended 31 December 2010

#### B BASIS OF CONSOLIDATION

#### (a) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting except for certain business combinations which were accounted for using the merger method as follows:

- Internal group reorganisations, as defined in FRS 1222004 "Business Combinations", consolidated on/after 1 April 2002 but with agreements
  dated before 1 January 2006 where:
  - the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
  - the minorities' share of net assets of the Group is not altered by the transfer
- Business combinations involving entities or businesses under common control with agreements dated on or after 1 January 2006.

The Group has taken advantage of the exemption provided by FRS1222004 and FRS 3 "Business Combinations" to apply these standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these standards.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note C on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the value of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but are considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, where necessary.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal, including the cumulative amount of any exchange differences that relate to the subsidiary, and is recognised in the profit or loss.

#### B BASIS OF CONSOLIDATION cont'd

#### (b) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the profit or loss.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets previously acquired and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

#### (c) Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Accordingly, disposals resulted in gains or losses and purchases resulted in the recognition of goodwill, being the difference between consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired.

#### C GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible Assets'.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose identified according to the operating segment. See accounting policy Note I on impairment of non-financial assets.

Goodwill in respect of acquisitions prior to 2006 were written off to reserves.

#### D RESEARCH AND DEVELOPMENT

Research and development costs are charged to the profit or loss in the financial year in which they are incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent financial year. Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life not exceeding five years.

### summary of significant accounting policies cont'd

for the financial year ended 31 December 2010

#### E INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

#### F PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

The Directors have applied the transitional provisions of International Accounting Standard ("IAS") 16 "Property, Plant and Equipment", which have been adopted by MASB, which allow properties previously revalued to continue to be stated at their valuation amounts less accumulated depreciation and impairment losses. Accordingly, certain leasehold land and buildings of the Group are stated at valuation amounts carried out in 1996, which have not been updated.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Depreciation on the other property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Buildings	20 - 50 years
Plant and machinery	4 - 25 years
Broadcasting and transmission equipment	10 years
Production equipment	5 - 10 years
Office equipment, furniture and fittings	3 - 10 years
Office renovations	3 - 10 years
Motor vehicles	5 years
Leasehold improvements	3 - 15 years
Structures	5 - 10 years

Leasehold land is amortised over the remaining period of the respective leases ranging from 40 and 96 years.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each financial position date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

#### **G** INVESTMENT PROPERTIES

Investment properties comprise principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life.

Depreciation on the other investment properties is calculated so as to write off the cost of the assets to their residual values on a straight line basis over the expected useful lives of 20 to 99 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the financial year of the retirement or disposal.

#### H INTANGIBLE ASSETS

#### (a) Programmes and film rights

Programmes and film rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

The programmes and film rights are recognised after they are contracted for, after receipt of materials and after approvals are obtained from the censorship authority. Cost comprises contracted cost and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the cost of programmes and film rights which fairly represents its relevant attached rights, to match against recognised revenue from these programmes and film rights.

The amortisation rates are as follows:

Upon first transmission

PURCHASES WITH FULL RIGHTS/LIMITED RIGHTS (2 RUNS OR MORE)	%
Features	
Upon first transmission	60
Upon second transmission	40
Series	
Upon first transmission	100
Purchases with limited rights (1 run) and in-house programmes	

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

#### (b) Acquired concession rights and outdoor advertising rights

Acquired concession rights and outdoor advertising rights that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of concession rights and outdoor advertising rights over their respective concession lives. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired concession rights and outdoor advertising rights that have an indefinite useful life are assessed for any indication of impairment on an annual basis. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

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### summary of significant accounting policies cont'd

for the financial year ended 31 December 2010

#### H INTANGIBLE ASSETS cont'd

#### (c) Acquired publishing rights and contracts

Acquired publishing rights and contracts that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of publishing rights and contracts over their respective tenure up to the expiry of such rights and/or contracts. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired publishing rights and contracts that have an indefinite useful life are assessed for any indication of impairment on an annual basis. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

#### I IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example, goodwill or intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### J NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

#### K TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses which are determinable based on accounting policy at Note AA (v) on impairment of financial assets.

Advanced billings are billings made to customers in advance of display rental, advertisement production works or events. Advanced billings collected are disclosed in the financial statements as deferred income. Advanced billings not collected are excluded from trade receivables until revenue is recognised.

#### L INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and applicable variable selling expenses.

Cost comprises direct labour, materials, sub-contract costs and related expenditure and is determined on a weighted average basis.

(i) Consumable spares and raw materials for newspaper printing

Consumable spares comprise spare parts for broadcasting and transmission equipment and are expensed upon utilisation. Raw materials for newspaper printing are also expensed on usage.

(ii) Albums

Albums comprise mainly costs of production and related production overheads and are expensed when sold.

#### M CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, bank balances, demand deposits and short term highly liquid investments with original maturities of three months or less and less bank overdrafts. Bank overdrafts are included within borrowings, classified as current liabilities.

#### N LEASES

#### (i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance lease is charged to the statement of comprehensive income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful lives of the assets, in accordance with the annual rates stated in Note F above. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

#### (ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

#### Change in accounting policy

Following the adoption of the improvement to FRS 117 "Leases", leasehold land in which the Group has substantially all the risks and rewards incidental to ownership has been reclassified retrospectively from operating lease to finance lease. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Refer to Note 46 for the impact of this change in accounting policy.

#### (iii) Prepaid lease rentals

Prepaid lease rentals for transmission stations are charged to the profit or loss on a straight line basis over the respective period of the leases, ranging between 31 and 36 years.

#### O CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit for the financial year except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### summary of significant accounting policies cont'd

for the financial year ended 31 December 2010

#### O CURRENT AND DEFERRED INCOME TAX cont'd

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction occurring, it affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax benefit from reinvestment allowance is recognised when the tax credit is utilised and no deferred tax asset is recognised when the tax credit is receivable nor the remaining unutilised balance.

#### P EMPLOYEE BENEFITS

#### (i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the net profit/(loss) for the financial year after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, sick leave, paid annual leave, bonuses and non-monetary employee benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

#### (ii) Post-employment benefits - defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

The Group's contributions to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF"), are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are due more than 12 months after the financial position date are discounted to present value.

#### P EMPLOYEE BENEFITS cont'd

#### (iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for its employees i.e. Employee Share Options Scheme ("ESOS").

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss as staff cost over the vesting period, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and the remaining employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance financial position, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium reserve when the options are exercised. In the event these options lapsed or the employee ceases employment, the amounts initially credited to equity are transferred to retained earnings.

Recharges made by the Company in respect of options granted to subsidiaries are accounted for as amounts receivable from subsidiaries.

#### Q TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### R PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## summary of significant accounting policies contid

for the financial year ended 31 December 2010

#### S CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group and Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and Company. The Group and Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

#### T SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. However, in the case of interim dividends, it is recognised as liability upon approval by the Board of Directors of the Company.

#### U DEBT INSTRUMENTS

Debt instruments are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, debt instruments are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the debt instruments.

The debt instruments issued by the Group and the Company are Bank Guaranteed Medium Term Notes/Commercial Papers ("BGMTN/CP") and Redeemable Fixed Rate Bonds ("RFRB").

#### V WARRANTS RESERVE

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to the share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

#### W BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

#### W BORROWINGS cont'd

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

The impact of the change in policy arising from adoption of FRS 139 is as disclosed in Note 46 to the financial statements.

#### X INCOME RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated returns, discounts, commissions, rebates and taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

Revenue of the Company from the provision of procurement services to subsidiaries is recognised on an accrual basis.

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon telecast or publishing of advertisements, net of discounts, returns, sales commissions and sales rebates, if any. Revenue from display rental income, advertisement production works and events are recognised in accordance with the terms of the sales contract which is principally over the period of the contract, on an accrual basis. Accordingly, all amounts received in advance are disclosed in the financial statements as deferred income.

Interest income of the Company is recognised on an accrual basis based on the prevailing interest rates for deposits at financial institutions. Interest income of the Group is recognised on an accrual basis based on the prevailing interest rates.

Rental income is recognised on an accrual basis.

#### Y FOREIGN CURRENCIES

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net profit for the financial year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other comprehensive income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the net profit for the financial year, as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

### summary of significant accounting policies contid

for the financial year ended 31 December 2010

#### FOREIGN CURRENCIES cont'd

#### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each financial position date presented are translated at the closing rate at the date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a
  reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are
  translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

#### Z SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management and Board of Directors that makes strategic decisions.

#### **Change of accounting policy**

The Group has adopted FRS 8 "Operating segments" from 1 January 2010. FRS 8 replaces FRS 114 "Segment reporting" and is applied retrospectively. The adoption of FRS 8 has resulted in an increase in the number of reportable segments presented. Comparatives have been restated. There has been no other impact on the measurement of the Group's assets and liabilities.

#### AA FINANCIAL ASSETS

#### (i) Classification

The Group has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial instruments: Recognition and Measurement" on 1 January 2010.

Previously, investments in non-current investments are shown at cost; marketable securities (within current assets) are carried at the lower of cost and market value; and trade receivables are carried at invoice amount. The Group has applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year. Comparative for financial instruments have not been adjusted and therefore the corresponding balances are not comparable. Refer to Note 46 for the impact of this change in accounting policy.

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### AA FINANCIAL ASSETS cont'd

#### (i) Classification (cont'd)

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

#### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

#### (c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

#### (d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### (ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss.

#### (iii) Subsequent measurement - gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for interest, dividend income and impairment losses (see accounting policy Note AA(v) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in net profit for the financial year, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in net profit for the financial year. Dividends income on available-for-sale equity instruments are recognised in net profit for the financial year when the Group's right to receive a payment is established.

### summary of significant accounting policies cont'd

for the financial year ended 31 December 2010

#### AA FINANCIAL ASSETS cont'd

#### (iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### (v) Subsequent measurement - impairment of financial assets

#### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider:
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the net profit for the financial year. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

#### AA FINANCIAL ASSETS cont'd

(v) Subsequent measurement - impairment of financial assets (cont'd)

#### (b) Assets classified as available-for-sale

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

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in net profit for the financial year, the impairment loss is reversed through the profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that had been recognised directly in equity is removed from equity and recognised in net profit for the financial year. The amount of cumulative losses that is reclassified to net profit for the financial year is the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in net profit for the financial year. Impairment losses recognised in net profit for the financial year on equity instruments classified as available-for-sale are not reversed through net profit for the financial year.

#### (vi) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to net profit for the financial year.

#### AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Assessment of impairment of non-financial assets (excluding goodwill)

The Group assesses impairment of the non-financial assets (excluding goodwill) whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable i.e. the carrying amount is more than the recoverable amount.

### summary of significant accounting policies contid

for the financial year ended 31 December 2010

#### AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS cont'd

- (a) Critical accounting estimates and assumptions (cont'd)
  - (i) Assessment of impairment of non-financial assets (excluding goodwill) (cont'd)

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ('VIU'). The VIU is the net present value of the projected future cash flows derived from the cash generating units discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The assumptions used, results and conclusion of the impairment assessments where there is significant risk of causing a material adjustment to the carrying amount are disclosed in Note 27 to the financial statements.

#### (ii) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 44 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings.

#### (iii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgements regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

#### (iv) Estimation of income taxes

Income taxes are estimated based on the rules governed under the Income Tax Act, 1967. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

#### (b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.

## notes to the financial statements

for the financial year ended 31 December 2010

#### I GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

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

The principal activities of the subsidiaries and associates are set out in Note 27 and Note 28 to the financial statements respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office and principal place of business of the Company is as follows:

Sri Pentas No. 3, Persiaran Bandar Utama Bandar Utama 47800 Petaling Selangor Darul Ehsan

#### REVENUE

	GRO	UP	PANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Advertising revenue	1,237,961	725,857	_	_
Circulation revenue	290,691	_	_	_
Sale of programmes, videos, cable and laser rights, and media revenue	15,408	11,287	_	_
Fees from provision of production services and sponsorship	2,583	6,885	_	_
Fees from provision of procurement services	_	_	7,794	11,127
Dividends from subsidiaries	_	_	151,512	134,727
Dividends from an associate	_	_	_	47,959
				• • • • • • • • • • • • • • • • • • • •
	1,546,643	744,029	159,306	193,813

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the senior management and the board of directors (chief operating decision-maker) that are used to make strategic decisions.

The chief operating decision-maker considers the business primarily from a product perspective as the activities of the Group is predominantly domestic based.

The reportable operating segments derive their revenue primarily from commercial television and radio broadcasting, media advertising, sale of program rights, provision of outdoor advertising space and related production works and publishing and sale of newspapers.

Other services include on-line media and advertisement, talent management and music recording. The results of these operations are included in the 'corporate and others' column.

The chief operating decision-maker assesses the performance of the operating segments, before its respective tax charged or tax credits, based on a measure of Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as write back or provision for impairment of assets, negative goodwill and when items are a result of isolated, non-recurring events. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments and excludes depreciation and amortisation of property, plant and equipment given that these are sunk cost in nature. Since the chief operating decision-maker reviews EBITDA, the share of associates' profits and the results of discontinued operations are not included in the measure of EBITDA.

The chief operating decision-maker assesses the assets and liabilities of the operations on a Group basis whereby the TV network, Radio Network, Outdoor Media and Print Media makes up individual segments. Within each segment, the nature of products and services offered are similar i.e. either in television or radio broadcasting for the free-to-air (FTA), market outdoor print or media print works. Within each segment, a significant portion of the assets and operations are based on shared resources basis i.e. centralised group treasury, procurement, corporate finance, engineering, information system and other support services. Consequently, no segmental analysis is done.

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	657,234	63,061	134,321	671,315	196,338	(179,278)	1,542,991	_	1,542,991
Inter-segment revenue	5,397		4,510	930	16,929	(27,766)			
Dividends from subsidiaries	_	-	_	_	151,512	(151,512)	_	-	_
	651,837	63,061	129,811	670,385	27,897	-	1,542,991	-	1,542,991
Revenue from external customers Royalties	655,165 (3,328)	63,385 (324)	129,811 —	670,385 —	27,897 —	- -	1,546,643 (3,652)	- -	1,546,643 (3,652)
2010									
	TELEVISION Network Rm'000	RADIO Network Rm'000	OUTDOOR Media Rm'ooo	PRINT Media Rm'000	CORPORATE AND OTHERS RM'000	ELIMINATION RM'000	CONTINUING OPERATIONS RM'000	SUBSIDIARIES Held for Sale RM'000	TOTAL Rm'000

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#### 3 SEGMENT INFORMATION cont'd

	TELEVISION	RADIO	OUTDOOR	PRINT	CORPORATE AND		CONTINUING	SUBSIDIARIES	
	NETWORK RM'000	NETWORK RM'000	MEDIA RM'000	MEDIA RM'000	OTHERS RM'000	ELIMINATION RM'000	OPERATIONS RM'000	HELD FOR SALE RM'000	TOTAL Rm'000
<b>2010</b> cont'd									
EBITDA	220,144	32,155	49,564	119,833	117,321	(145,375)	393,642	-	393,642
Depreciation and amortisation	(36,425)	(1,921)	(9,095)	(47,099)	(2,883)	(2,584)	(100,007)	_	(100,007)
Interest expense	(1,629)	(1,021)	(10)	(1,852)	(29,106)	(2,004)	(32,597)	_	(32,597)
Negative goodwill	-	_	_	-	-	55,444	55,444	_	55,444
(Provision for)/write back						•	·		·
of impairment of assets	(1,457)	_	1,035	_	_	_	(422)	_	(422)
ESOS charges	(14,304)	(849)	(1,465)	(15,575)	(1,804)	_	(33,997)	_	(33,997)
Other one-off income	-	-	1,674	5,378	-	-	7,052	-	7,052
Income tax expense	(20,764)	(6,662)	(9,529)	(13,240)	(22,682)	28,184	(44,693)	-	(44,693)
Share of profit from									
associates	-	-	-	6,196	-	-	6,196	-	6,196
Losses from subsidiaries									
held for sale	<del></del>	<del></del>						(1,592)	(1,592)
Reportable segment profit/(loss)after tax before allocation to non-controlling									
interest	145,565	22,723	32,174	53,641	60,846	(64,331)	250,618	(1,592)	249,026
2009									
Revenue from									
external customers	548,955	53,759	93,678	_	47,637	_	744,029	_	744,029
Royalties	(2,744)	(288)					(3,032)		(3,032)
	546,211	53,471	93,678	_	47,637		740,997		740,997
Dividends from subsidiaries	J40,Z11	JJ,4/1	33,076	_	47,037	_	740,337	_	740,337
and associates	_	_	_	_	182,686	(182,686)	_	_	_
Inter-segment revenue	5,376	_	2,606	_	22,753	(30,735)	_	_	_
							•••••		•••••
	551,587	53,471	96,284	_	253,076	(213,421)	740,997	_	740,997
EBITDA	128,160	24,577	37,600	_	152,535	(186,725)	156,147	_	156,147
Depreciation and	(00.070)	44.700	(0.005)		44.04.0	(5.4.40)	/50 550\		(50.550)
amortisation	(32,370)	(1,766)	(6,665)	_	(4,610)	(5,148)	(50,559)	_	(50,559)
Interest (expense)/reversal	(1,556)	_	12	_	(22,905)	-	(24,449)	_	(24,449)
Negative goodwill	_	_	_	_	_	216,115	216,115	_	216,115
Provision of impairment on assets	(16 (102)	(669)	(2,709)		(15 190)		(24.060)		(34,969)
Other one-off expenses	(16,402) (2,954)	(003)	(2,709)	_	(15,189)	_	(34,969) (2,954)	_	(34,969)
Income tax expense	(8,189)	(3,710)	(7,933)	_	(38,211)	34,055	(23,988)	_	(23,988)
Share of profit from associates		(5,710)	(7,333)	_	(50,211)	16,513	16,513	_	16,513
Losses from subsidiaries						10,010	10,010		10,010
held for sale	_	_	_	_	_	_	_	(43,479)	(43,479)
Reportable segment profit/(loss) after tax before allocation to non-controlling interest	66,689	18,432	20,305	_	71,620	74,810	251,856	(43,479)	208,377
non controlling littoroot	/ / /	10,102		\ /	, 1,020	7 1,010		(10,17.0)	4

### notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 3 SEGMENT INFORMATION cont'd

FRS 8 has been amended so that a measure of segment assets is only required to be disclosed if the measure is regularly provided to the chief operating decision-maker. The amendment is effective for periods beginning on or after 1 January 2010 whereby no segment assets are disclosed.

During 2009, Print Media did not qualify as a reportable operating segment. However, with the acquisition of The New Straits Times Press (Malaysia) Berhad Group ("NSTP Group") on 17 December 2009, Print Media qualifies as a reportable operating segment. The impact of consolidating the operating segment results in the profit or loss was not material in the previous financial year.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the profit or loss.

#### 4 FINANCE INCOME AND COST

	GR	OUP	COM	COMPANY	
	2010	2009	2010	2009	
	RM'000	RM'000	RM'000	RM'000	
Finance income					
Finance income:	(4.040)	(000)	(0.000)	(0.00)	
- Interest income	(4,348)	(888)	(2,328)	(363)	
	(4,348)	(888)	(2,328)	(363)	
Finance and					
Finance cost:					
Interest expenses on					
- Revolving credit	1,852	_	_	_	
- Bank Guaranteed Medium Term Notes	8,964	8,259	8,964	8,259	
- Commercial papers	46	4,899	46	4,899	
- Redeemable Fixed Rate Bonds	6,861	_	6,861	_	
- Term loans and bridging loan	11,806	8,011	11,806	7,772	
- Bank guarantee fee	1,429	1,570	1,429	1,570	
- Hire purchase interest	1,478	1,456	_	_	
- Overdraft	161	254	_	166	
•••••					
	32,597	24,449	29,106	22,666	
Net finance cost	28,249	23,561	26,778	22,303	

#### 5 EMPLOYEE BENEFITS COSTS

	GR	OUP	COM	PANY
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	321,869	129,418	12,309	7,971
Defined contribution retirement plan	49,393	17,017	2,011	1,170
Termination benefits	5	1,425	_	_
Share based compensation	33,997	_	1,222	_
Other employee benefits	16,081	14,539	4,140	512
	421,345	162,399	19,682	9,653

#### PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations is stated after charging/(crediting):

	GRO	UP	COMP	PANY
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Royalties	3,652	3,032	_	_
Auditors' remuneration:				
- statutory audit	1,359	863	62	60
- audit related services	40	_	_	_
- other services	591	_	170	_
- tax services	406	120	44	24
(Gain)/loss on disposal of property, plant and equipment	(5,322)	342	_	_
Gain on disposal of investment properties	(346)	(165)	_	_
Rental income from equipment	(3,423)	(3,089)	_	_
Rental income from premises	(391)	(1,109)	_	_
Gross dividends from:	,	• , , , , ,		
- Quoted shares in Malaysia	(4)	(4)	_	_
- Property and unit trusts	(99)	(46)	_	_
Net exchange (gain)/loss:	,	, ,,		
- Realised	(1,360)	501	9	766
- Unrealised	(50)	50	_	_
Write back of long outstanding accruals	(9,305)	(573)	_	_

#### 7 DIRECTORS' REMUNERATION

	GRO	UP	COMP	PANY
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-executive Directors:				
- Fees	863	471	435	281
- Allowances	468	444	236	233
- Defined contribution retirement plan	60	84	30	42
- Other remuneration	98	43	52	43
Executive Directors:				
- Basic salaries and bonus	2,321	3,110	1,180	1,245
- Allowances	367	326	138	158
- Defined contribution retirement plan	493	475	243	253
- Share based compensation	636	_	431	
	5,306	4,953	2,745	2,255
	J,300	4,333	2,140	۷,۷۵۵
Estimated monetary value of benefits-in-kind	180	249	44	72

#### **DIRECTORS' REMUNERATION** cont'd

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

	_	NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH EXERCISE					
GRANT DATE	EXPIRY Date	PRICE RM/ Share	AT 1 January '000	GRANTED '000	EXERCISED '000	AT 31 December '000	
Financial year ended 31 December 2010							
11 January 2005	10 January 2010	1.55	450	_	(450)	_	
31 May 2010	13 May 2015	1.80	-	1,550		1,550	
			450	1,550	(450)	1,550	
Financial year ended 31 December 2009							
11 January 2005	10 January 2010	1.55	450	_	_	450	
					2010 '000	2009 '000	
Number of share options vested	at statement of financial posit	ion date			1,550	450	

#### **TAXATION**

	GR	OUP	COM	PANY
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Malaysian tax	44,363	42,904	20,319	38,171
Deferred tax (Note 24)	330	(18,916)		-
Deletica (ax (note 24)		(10,310)		
	44,693	23,988	20,319	38,171
Current tax:				
	F1 070	40.004	07.510	20,000
- Current financial year	51,279	40,964	27,518	36,268
- (Over)/under accrual in prior financial years	(6,916)	1,940	(7,199)	1,903
	44,363	42,904	20,319	38,171
Deferred tax:				
- Origination and reversal of temporary differences (Note 24)	330	(18,916)		
	44,693	23,988	20,319	38,171

#### TAXATION cont'd

Income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the financial year.

The explanation of the relationship between taxation and profit before taxation is as follows:

	GRO	UP	COMP	ANY
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
	KWI UUU	KWI UUU	KW UUU	KW UUU
Profit before taxation	295,311	275,844	106,680	148,857
Tax calculated at the Malaysian corporate income tax rate of 25% (2009: 25%)	73,828	68,961	26,670	37,214
Tax effects of:	70,020	00,301	20,070	37,214
- expenses not deductible for tax purpose	16,671	22,080	4,370	9,633
- income not subject to tax	(16,832)	(54,179)	(7,532)	(12,431)
- temporary differences and unutilised				
tax losses not recognised	2,465	7,427	1,203	1,852
- over-recognition of previous year deferred tax liabilities	(2,332)	_	_	_
- utilisation of previously unrecognised temporary differences				
and unutilised tax losses	(19,803)	(18,113)	_	_
- share of results of an associate	(1,549)	(4,128)	_	_
- expenses eligible for further reduction	(328)	_	_	_
- (over)/under accruals in prior financial years	(6,916)	1,940	(7,199)	1,903
- utilisation of Group tax relief	_	_	2,807	_
- others	(511)		<u>-</u>	
Taxation	44,693	23,988	20,319	38,171

Included in income tax expense of the Group are tax savings amounting to RM4,178,053 (2009: RM4,745,303) from utilisation of current tax losses.

There is no tax charge/credit relating to components of other comprehensive income.

#### 9 EARNINGS PER SHARE

#### (a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit for the financial year from continuing operations, net losses from subsidiary held for sale and net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	<u></u>		IP
		2010	2009
Net profit from continuing operations attributable to owners of the Parent	(RM'000)	243,886	251,856
Net losses from subsidiaries held for sale attributable to owners of the Parent	(RM'000)	(1,592)	(57,056)
Net profit for the financial year attributable to owners of the Parent	(RM'000)	242,294	194,800
Weighted average number of ordinary shares in issue	('000)	985,817	857,648
Basic earnings per share for:			
Net profit from continuing operations attributable to owners of the Parent	(Sen)	24.74	29.37
	, ,		
Net losses from subsidiaries held for sale attributable to owners of the Parent	(Sen)	(0.16)	(6.65)
Net profit for the financial year attributable to owners of the Parent	(Sen)	24.58	22.71

### notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 9 EARNINGS PER SHARE cont'd

#### (b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

In respect of share options granted to employees or warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the annual average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options or warrants. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options or warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options and warrants calculation.

	GR	OUP
	2010	2009
	RM'000	RM'000
Weighted average number of ordinary shares in issue	985,817	857.648
Weighten average number of ordinary shares in issue	303,017	637,046
Adjustments for:		
Warrants ('000)	69,500	691
ESOS ('000)	12,483	
Weighted average number of ordinary shares for purposes of computing		
	4	050.000
diluted earnings per share ('000)	1,067,800	858,339
Diluted earnings per share for:		
· ·	00.04	00.04
Net profit from continuing operations attributable to owners of the Parent (Sen)	22.84	29.34
Net losses from subsidiaries held for sale attributable to owners of the Parent (Sen)	(0.15)	(6.65)
Net profit for the financial year attributable to owners of the Parent (Sen)	22.69	22.69

For the diluted earnings per share calculation for the comparative financial year ended 31 December 2009, the weighted average number of ordinary shares in issue used for computation of diluted earnings per share has not taken into account dilutive potential ordinary shares arising from ESOS as the average market price of the ordinary shares for the financial year was lower than the exercise prices of the share option of RM1.46, RM1.55 or RM2.23 per option respectively.

#### 10 DIVIDENDS

	GROUP AND COMPANY			
	2010		20	109
	GROSS Dividend Per Share Sen	AMOUNT OF NET DIVIDEND RM'000	GROSS DIVIDEND Per Share Sen	AMOUNT OF NET DIVIDEND RM'000
2009 Final single tier dividend (2009: less income tax of 25%)	5.6	54,747	6.7	42,904
Special tax exempt dividend	_	_	4.4	37,634
2010 Interim single tier dividend	4.0	40,088		
	9.6	94,835	11.1	80,538

At the forthcoming Annual General Meeting on 20 April 2011, a final single tier dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2010 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2011 when approved by the shareholders.

#### 11 SHARE CAPITAL

			COMPANY	
	_	2010	2009	
	NOTE	RM'000	RM'000	
Ordinary shares of RM1.00 each:				
Authorised				
At 1 January/At 31 December		2,000,000	2,000,000	
Issued and fully paid				
At 1 January		945,346	853,811	
Issuance of shares arising from:				
- Exercise of warrants	(a)	416	_	
- Exercise of ESOS	(b)	8,804	606	
- Acquisition of interest in a subsidiary	(c)	52,130	90,929	
			• • • • • • • • • • • • • • • • • • • •	
At 31 December		1,006,696	945,346	

During the financial year, the Company increased its issued and fully paid share capital from RM945,346,000 to RM1,006,696,000 by way of the issuance of:

- (a) 416,013 ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM434,000 has been credited to the Share Premium reserve.
- (b) 8,804,081 (2009: 605,600) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.46, RM1.55, RM1.80, and RM1.98 per option. The premium arising from the exercise of ESOS of RM9,254,000 (2009: RM303,000) has been credited to the Share Premium reserve.
- (c) 52,130,147 (2009: 90,929,040) ordinary shares of RM1.00 each pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad by the Company (Note 38(i)). The premium arising from the issuance of shares of RM45,519,000 (2009: RM56,376,000) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

#### 12 SHARE-BASED PAYMENTS

#### Employees' Share Option Scheme ("ESOS")

The Company's ESOS approved by the shareholders on 7 January 2005 which was effective on 11 January 2005 for a period of five (5) years, had expired on 10 January 2010. ("2005 MPB ESOS")

On 15 April 2010, the Company's shareholders approved a new ESOS which became effective on 14 May 2010 for a period of five (5) years, set to expire in 13 May 2015 ("2010 MPB ESOS").

The main features of the 2010 MPB ESOS are:

- (i) The total number of ordinary shares to be issued by the Company under the ESOS as approved by the Securities Commission shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (ii) The options granted may be exercised at any time within the option period whilst the Grantee is employed by a corporation in the MPB Group.
- (iii) The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days immediately preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is higher.
- (iv) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (v) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

#### 12 SHARE-BASED PAYMENTS cont'd

Set out below are details of options over ordinary shares of the Company granted under the ESOS:

				NUMBER OF O	PTIONS OVER ORD	INARY SHARES OF I	RM1.00 EACH	
GRANT DATE	EXPIRY Date	EXERCISE PRICE RM/ SHARE	AT 1 January '000	GRANTED '000	EXERCISED '000	CANCELLED/ Lapsed '000	AT 31 December '000	FAIR Value of Options RM'000
Financial year ended 31 December 2010								
16 December 2010	13 May 2015	2.10	-	480	-	-	480	307
18 November 2010	13 May 2015	1.98	-	2,322	(15)	_	2,307	1,176
31 May 2010	13 May 2015	1.80	-	79,283	(6,738)	(1,275)	71,270	29,222
11 January 2005	10 January 2010	1.55	3,295	-	(1,498)	(1,797)	-	_*
14 December 2005	10 January 2010	1.46	1,004	-	(553)	(451)	_	_*
28 February 2007	10 January 2010	2.23	2,362			(2,362)		
			6,661	82,085	(8,804)	(5,885)	74,057	30,705
Financial year ended 31 December 2009								
11 January 2005	10 January 2010	1.55	5,043	_	(273)	(1,475)	3,295	_*
14 December 2005	10 January 2010	1.46	1,469	_	(333)	(132)	1,004	_*
28 February 2007	10 January 2010	2.23	3,210			(848)	2,362	620
			9,722	_	(606)	(2,455)	6,661	620

 $<sup>^{\</sup>star} \quad \text{FRS 2 is not applicable for these tranches}.$ 

#### 12 SHARE-BASED PAYMENTS cont'd

	2010 '000	2009 '000
Number of options over ordinary shares vested, as at the end of the financial year	74,057	6,661

The fair value of the ESOS granted during the financial year in which FRS 2 applies, were determined using the Trinomial Valuation model. The significant inputs in the model are as follows:

	2010 MPB OPTIONS 31 May 2010	2010 MPB OPTIONS 18 November 2010	2010 MPB OPTIONS 16 December 2010
Fair value per option (RM)	0.41	0.51	0.64
Exercise price	1.80	1.98	2.10
Option life (number of days to expiry)	1,808 days	1,637 days	1,609 days
Weighted average share price at grant date	2.07	2.33	2.60
Expected dividend yield	5.77%	5.77%	5.77%
Risk free interest rates (Yield of Malaysian Government Securities)	3.11%	3.11%	3.04%
Expected volatility	24.54%	22.35%	22.14%
MPB share historical volatility period: From To	60 days to 9 July	May 2010 December 2010	May 2010 December 2010

The amounts recognised in the financial statements is as disclosed in Note 5 to the financial statements arising from the ESOS granted to employees (including Directors) of the Group and Company (2009: Nil).

#### 13 SHARE PREMIUM

_	GROUP AND	COMPANY
	2010	2009
NOTE	RM'000	RM'000
At 1 January	244,797	188,118
Arising from:		
- Exercise of warrants 11 (a)	434	_
- Exercise of ESOS 11 (b)	9,254	303
- Acquisition of interest in a subsidiary 11 (c)	45,519	56,376
At 31 December	300,004	244,797

### 14 OTHER RESERVES

	REVALUATION Reserve RM'000	EXCHANGE Fluctuation Reserve Rm'000	MERGER RESERVE (NOTE 15) RM'000	WARRANTS Reserve Rm'000	SHARE Option Reserve RM'000	AVAILABLE- For-sale Reserve Rm'000	OTHER Reserves Rm'000	TOTAL RM'000
Group 2010								
At 1 January 2010 Effects of applying FRS 139	101,258	5,443	26,337	10,030	620	- 251	34,318	178,006 251
LK9 199					·····	231		231
At 1 January 2010 (as restated)	101,258	5,443	26,337	10,030	620	251	34,318	178,257
Cancellation of ESOS	_	_	-	-	(1,142)	_	-	(1,142)
Issuance of ESOS Exercise of ESOS	-	-	-	-	33,997	-	-	33,997
Available-for-sale	_	_	_	_	(2,770)	_	-	(2,770)
financial asset Currency translation	-	-	_	_	-	117	-	117
differences Warrants issued via issuance of	-	2,568	-	-	-	_	-	2,568
redeemable bonds Shares and warrants issued on acquisition of	-	-	-	1,844	-	-	-	1,844
further interest in a subsidiary	_	_	_	2,986	_	_	(34,318)	(31,332)
Exercise of warrants Reversal of revaluation reserve for	-	-	-	(102)	-	-	-	(102)
disposed property	(924)							(924)
At 31 December 2010	100,334	8,011	26,337	14,758	30,705	368	_	180,513
		REVALUATION RESERVE RM'000	EXCHANGE Fluctuation Reserve Rm'000	MERGER RESERVE (NOTE 15) RM'000	WARRANTS RESERVE RM'000	SHARE OPTION RESERVE RM'000	OTHER Reserves Rm'000	TOTAL RM'000
Group 2009								
At 1 January 2009		1,292	5,428	26,337	_	843	_	33,900
Cancellation of ESOS of the financial year	during					(223)		(223)
Currency translation d		_	2,394	_	_	(ZZJ) —	_	2,394
Disposal of subsidiary exclusively for sale Shares and warrants r	not yet	-	(2,379)	_	_	_	_	(2,379)
formally issued on a of a subsidiary Acquisition of a new s		99,966	- 	- -	1,846 8,184	– –	34,318	36,164 108,150
At 31 December 2009		101,258	5,443	26,337	10,030	620	34,318	178,006
	/ /	\ \ \	/ /	\ /	/ \	/ / \	\ /	/ \

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#### 14 OTHER RESERVES cont'd

	OTHER Reserves Rm'000	WARRANTS Reserve Rm'000	SHARE Option Reserve Rm'000	TOTAL Rm'000
Company				
2010				
At 1 January 2010	34,318	10,030	620	44,968
Cancellation of ESOS	_	_	(1,142)	(1,142)
Issuance of ESOS	_	_	33,997	33,997
Exercise of ESOS	_	_	(2,770)	(2,770)
Warrants issued via issuance of redeemable bonds	_	1,844	_	1,844
Shares and warrants Issued for acquisition of further interest in a subsidiary	(34,318)	2,986	_	(31,332)
Exercise of warrants	<u> </u>	(102)		(102)
At 31 December 2010	_	14,758	30,705	45,463
2009				
At 1 January 2009	_	_	843	843
Cancellation of ESOS	_	_	(223)	(223)
Shares and warrants not yet formally issued for acquisition of a subsidiary	34,318	1,846	_	36,164
Warrants issued for acquisition of a subsidiary		8,184		8,184
At 31 December 2009	34,318	10,030	620	44,968

#### 15 MERGER RESERVE

The merger reserve represents the difference between the nominal value of shares issued as consideration for the acquisition on 28 May 2003 of a subsidiary, Sistem Televisyen Malaysia Berhad ("STMB"), which met the criteria for the use of the merger method of accounting under the provisions of FRS 122<sub>2004</sub> "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

	GRUUP		
	2010	2009	
	RM'000	RM'000	
Nominal value of shares issued	(263,375)	(263,375)	
Less: Nominal value of shares in the subsidiary	289,712	289,712	
Merger reserve	26,337	26,337	

#### 16 (ACCUMULATED LOSSES)/RETAINED EARNINGS

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2010 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

The Company has no tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of its retained earnings as at 31 December 2010. Consequently, the Company can only pay single tier dividends out of its retained earnings as at 31 December 2010.

### notes to the financial statements contd

for the financial year ended 31 December 2010

#### 17 DEBT INSTRUMENTS

	GROUP AND COMPANY	
	2010	2009
	RM'000	RM'000
Bank Guaranteed Medium Term Notes/Commercial Papers (Note (i)) Redeemable Fixed Rate Bonds (Note (ii))	169,257 145,008	195,630 —
	314,265	195,630

#### (i) Bank Guaranteed Medium Term Notes/Commercial papers ("BGMTN/CP")

	GROUP AND COMPANY	
	2010	2009
	RM'000	RM'000
Current:		
CP (unsecured)	_	30,000
4-year 4.15% BGMTN (unsecured)	70,031	_
		• • • • • • • • • • • • • • • • • • • •
	70,031	30,000
		00,000
Non-current:		
4-year 4.15% BGMTN (unsecured)		70,000
	00.000	
5-year 4.27% BGMTN (unsecured)	99,226	100,000
		170.000
	99,226	170,000
Less: Transaction Cost		(8,196)
	99,226	161,804
Add: Accumulated amortisation	_	3,826
	99,226	165,630
	00,220	100,000
Fair value of BGMTN/ CP at market interest rate	177,175	200,000
Tall value of Dolwilly of at Illarket lifterest rate	177,173	200,000

The BGMTN/CP were constituted by separate Trust Deeds dated 23 August 2007 and 28 August 2007 respectively.

(i) Bank Guaranteed Medium Term Notes/Commercial papers ("BGMTN/CP")

The principal terms of the BGMTN and CP are as follows:

- (a) The face value of the BGMTN is RM170 million and the CP was RM30 million;
- (b) The CP issued in prior year was at a discount to face value of 4.00% to 4.912% per annum which was repaid during the year. No CP was issued during the current year;
- (c) The interest on the BGMTN of RM70 million and RM100 million are 4.15% and 4.27% per annum respectively, payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the BGMTNs;
- (d) The tenure of BGMTN of RM70 million and RM100 million are 4 years and 5 years from the date of issue respectively;
- (e) The tenure of the CP was 7 years from the date of issue; and
- (f) The maturity date of the CP was between one (1) to twelve (12) months and the BGMTN is between twelve (12) to sixty (60) months.

The CP was redeemed during the financial year.

#### 17 DEBT INSTRUMENTS cont'd

(ii) Redeemable Fixed Rate Bonds ("RFRB")

ROUP AND COMPANY 2010 Rm'000

5 year 4.95% RFRB 145,008

On 23 March 2010, the Company issued RM150,000,000 nominal 5-year, 4.95% coupon rate, 6.5% yield to maturity, RFRB with RM50,000,000 detachable warrants (Note 18). The RFRB is constituted by a Subscription Agreement dated 23 February 2010.

The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent bond with no warrants attached. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves representing fair value of the warrants (Note 18).

The principal terms of the RFRB are as follows:

- (a) The face value of the RFRB is RM150 million;
- (b) The coupon on the RFRB will accrue at 4.95% per annum based on the face value and shall be payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year;
- (c) The tenure of the RFRB is five (5) years from the date of issue; and
- (d) The bonds shall be redeemed at nominal value on the 5th anniversary of issuance date in cash which will be settled through the Real Time Electronic Transfer of Funds and Securities (RENTAS) system of BNM.

#### 18 WARRANTS

Pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad ("NSTP") in the previous financial year, warrants of the Company were offered for free as part of the purchase consideration to acquire the remaining NSTP ordinary shares not owned by the Company ("Consideration Warrant") as disclosed in Note 38 (i). The Company had also issued Bonus Warrant to existing shareholders of the Company ("Bonus Warrant"). The Consideration and Bonus Warrants were constituted by a Deed Poll dated 17 December 2009.

The principal terms of the Consideration and Bonus Warrants (collectively known as "warrants") are as follows:

- (a) The exercise price of the warrants is fixed at RM1.80 per warrant;
- (b) The warrants may be exercised at any time on or before the maturity date, 31 December 2014, falling five (5) years from the date of issue of the first (1st) tranche of warrants which was on 31 December 2009. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;
- (c) The warrants will rank pari passu without any preference or priority among themselves including in an event of liquidation; and
- (d) The warrants are listed on Bursa Malaysia.

As at 31 December 2010, the Company had issued 48,240,412 warrants (2009: 15,154,832 warrants).

During the financial year, the Company issued 50,000,000 warrants to investors as part of the issuance of RFRB (Note 17(ii)). The principal terms of the newly issued warrants are as disclosed above.

#### 19 INTEREST BEARING BANK BORROWINGS

	_		OUP		COMPANY		
	NOTE	2010 Rm'000	2009 RM'000	2010 Rm'000	2009 RM'000		
	HUIL	KW 000	KM 000	KM 000	KW 000		
Current:							
Term loans (unsecured)	(a)	14,000	19,229	14,000	14,000		
Bridging loan (unsecured)	(a)		53,560		53,560		
		14,000	72,789	14,000	67,560		
D 1: 121/			22.000				
Revolving credit (unsecured)		-	33,000	_	_		
Banker's acceptance (unsecured)		-	59,172	-	_		
Bank overdrafts (unsecured) (Note 37)		<del></del>	1,399				
		44.000	400000	44.000	07.500		
		14,000	166,360	14,000	67,560		
Non-current:							
Term loans (unsecured)	(a)	201,000	215,000	201,000	215,000		
Term loan (secured)	(a)	201,000	119	201,000	213,000		
ionii ioan (scoulou)	(a)						
		201,000	215,119	201,000	215,000		
		215,000	381,479	215,000	282,560		

Available credit facilities of the Group as at 31 December 2010 amounts to RM521.4 million (2009: RM364 million).

The currency exposure profile of the above borrowings is as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia Cedi	215,000 —	380,903 576	<b>215,000</b> –	282,560 —
	215,000	381,479	215,000	282,560

The weighted average effective interest rates applicable to the Group and the Company are as follows:

	GR	GROUP		COMPANY	
	2010	2009	2010	2009	
	%	%	%	%	
For the financial year					
Term loans	5.10	5.11	5.10	5.10	
Bridging loan	_	3.60	_	3.60	
Bank overdrafts	_	17.40	_	_	
Revolving credit	_	2.80	_	_	
Bankers' acceptance	-	2.46	-	-	
As at the financial year end					
Term loans	5.10	5.11	5.10	5.10	
Bridging loan	_	3.60	_	3.60	
Bank overdrafts	_	17.40	_	_	
Revolving credit	_	2.46	_	_	
Bankers' acceptance	_	2.46	_	_	

#### 19 INTEREST BEARING BANK BORROWINGS cont'd

#### (a) Term loans and bridging loan

The term loans and bridging loan are repayable as follows:

	GROUP		COMPANY	
	2010 2009		2010	2009
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Current: Repayable within 12 months	14,000	72,789	14,000	67,560
Non-current: Repayable after 12 months: - between 2 and 5 years	201,000	215,000	201,000	215,000
	215,000	287,789	215,000	282,560
Secured				
Non-current:				
Repayable after 12 months: - between 2 and 5 years		119	_	_
	215,000	287,908	215,000	282,560

The fair value of the term loans approximates the carrying value.

#### 20 FINANCIAL INSTRUMENTS BY CATEGORY

	LOANS AND Receivables Rm'000	ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS RM'000	ASSETS DESIGNATED AS AVAILABLE- FOR-SALE RM'000	TOTAL RM'000
Group				
31 December 2010				
Assets as per statement of financial position				
Trade and other receivables excluding prepayments	322,848	_	_	322,848
Deposit, cash and bank balances	317,931	_	_	317,931
Financial assets designated at fair value	_	3,253	_	3,253
Available-for-sale financial asset	_	_	1,120	1,120
Financial assets of subsidiaries held for sale	8,101	<u>-</u>	<del>-</del>	8,101
Total	648,880	3,253	1,120	653,253

#### 20 FINANCIAL INSTRUMENTS BY CATEGORY cont'd

	OTHER Financial Liabilities at Amortised	
	COST RM'000	TOTAL Rm'000
31 December 2010		
Liabilities as per statement of financial position		
Trade and other payables	274,423	274,423
Interest- bearing bank borrowings:		
- Term loans	215,000	215,000
Redeemable fixed rate bonds	145,008	145,008
Bank guaranteed medium term notes	169,257	169,257
Amounts due to associates	11,437	11,437
Financial liabilities of subsidiaries held for sale	23,239	23,239
Total	838,364	838,364
	LOANS AND	
	RECEIVABLES RM'000	TOTAL RM'000
Company		
31 December 2010		
Assets as per statement of financial position		
Trade and other receivables excluding prepayments	254	254
Deposit, cash and bank balances	135,145	135,145
Amounts due from subsidiaries	92,253	92,253
Total	227,652	227,652
	071150	
	OTHER Financial	
	LIABILITIES AT	
	AMORTISED	TOTAL
	COST RM'000	TOTAL Rm'000
31 December 2010		
Liabilities as per statement of financial position		
Trade and other payables	13,420	13,420
Interest- bearing bank borrowings:	10,120	.0,120
- Term loans	215,000	215,000
Redeemable fixed rate bonds	145,008	145,008
Bank guaranteed medium term notes	169,257	169,257
Amounts due to subsidiaries	6,088	6,088
Total	E40 779	540 772
Total	548,773	548,773

#### 21 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2010 RM'000
Group	
Trade receivables	
Counterparties with external credit rating (RAM)	
A AA	8 90
	98
Counterparties without external credit rating	
Group 1 Group 2	3,034 289,955
Group 3	
	292,989
Total unimpaired trade receivables	293,087

- Group 1 new customers (less than 6 months).
- $\bullet$  Group 2 existing customers (more than 6 months) with no defaults in the past.
- $\bullet \qquad \text{Group 3}-\text{existing customers (more than 6 months) with some defaults in the past.}$

None of the financial assets that are fully performing has been renegotiated in the last year. None of the loans to related parties is past due but not impaired.

	2010 RM'000
Cash at bank and short-term bank deposits	
AAA/P1	157,396
AA3/P1	32,050
AA2/P1	1,051
AA	1,109
A2/P1	2,392
A1/P1	122,788
Unrated (petty cash)	1,145
	317,931

#### 21 CREDIT QUALITY OF FINANCIAL ASSETS cont'd

	2010 Rm'000
Company	
Cash at bank and short-term bank deposits	
AAA/P1	44,071
AA3/P1	6,100
A1/P1	84,974
	135,145

#### HIRE-PURCHASE AND LEASE CREDITORS

This represents future instalments under hire-purchase and lease agreements, repayable as follows:

	GROUP	
	2010	2009
	RM'000	RM'000
Finance lease liabilities:		
Minimum lease payments:	0.740	7 200
- not later than 1 year	8,749	7,322
- later than 1 year and not later than 5 years	15,242	13,095
	23,991	20,417
Future finance charges on finance leases	(2,896)	(2,387)
Present value of finance lease liabilities	21,095	18,030
Present value of finance lease liabilities:		
- not later than 1 year	7,382	6,154
- later than 1 year and not later than 5 years	13,713	11,876
	21,095	18,030
Analysed as:		
Due within 1 year (Note 23)	7,382	6,154
Due after 1 year	13,713	11,876
	21,095	18,030
	,500	10,000

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default. The finance lease liabilities contain covenants which require a subsidiary to maintain minimum debt service ratio.

As at 31 December 2010, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 3.98% (2009: 3.99%) per annum and interest for the financial year is fixed at 3.70% (2009: 3.71%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

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#### 23 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
•	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
New account				
Non-current:	***			
Trade payables	409	936		
Current:				
Trade payables	60,000	54,732	_	_
Programme rights payables	14,737	24,405	3,652	5,342
	74,737	79,137	3,652	5,342
Trade and other accruals	176,175	143,015	7,440	10,468
Other payables	42,903	68,701	2,328	8,151
Hire-purchase and lease creditors (Note 22)	7,382	6,154	_,,,	
Deferred income	6,145	6,817		
			_	_
Charity or donor funds	2,827	2,384	_	_
Dividends payable	806			
	310,975	306,208	13,420	23,961
	311,384	307,144	13,420	23,961

The currency profile of trade payables and programme rights payables is as follows:

	GROUP		COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Ringgit Malaysia	72,872	71,394	2,590	486
US Dollar Cedi	1,713	6,754 920	1,062 —	4,856 —
Others				
	74,737	79,137	3,652	5,342

Credit terms of trade payables range from no credit to 90 days (2009: 90 days).

Advanced billings represent rental charges in advance based on the relevant rental contract and advance payments received from customers on contract that have yet to be completed.

### notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 24 DEFERRED TAXATION

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 taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	GROUP	
	2010	2009
	RM'000	RM'000
Deferred tax assets		
	50.000	05.001
- To be recovered after more than 12 months	52,006	35,931
- To be recovered within 12 months	4,485	3,355
		• • • • • • • • • • • • • • • • • • •
	56,491	39,286
	30,731	33,200
Deferred tax liabilities		
- To be recovered after more than 12 months	(74,565)	(67,380)
- To be recovered within 12 months	(13,279)	(3,340)
- 10 DE LECOVEIEU WILLIII 12 IIIOILII3	(13,273)	(3,340)
	(87,844)	(70,720)

The movement during the financial year relating to deferred tax is as follows:

	GRO	DUP
	2010	2009
	RM'000	RM'000
At 1 January	(31,434)	(562)
(Charged)/credited to profit or loss (Note 8)		
- Property, plant and equipment	(19,393)	(6,700)
	(13,333)	(0,700)
<ul> <li>Intangible assets</li> <li>Programme, film rights and royalties</li> </ul>	(963)	1,441
- Acquired concession rights	2,770	1,426
- Allowances and provisions	(2,783)	423
- Hire purchase creditors	1,060	1,250
- Unused tax losses	16,374	12,850
- Unutilised capital allowances	2,461	8,679
- Advance billings	171	(453)
- Inventories	(27)	(433)
- IIIveiituiles	(21)	
	(330)	18,916
Acquisition of subsidiaries	<u> </u>	(49,788)
Reclassification to assets held for sale	411	_
At 31 December	(31,353)	(31,434)

#### 24 DEFERRED TAXATION cont'd

	GROUI	P
	2010	2009
	RM'000	RM'000
Deferred tax assets (before offsetting)		
- Intangible assets	4,179	5,142
- Property, plant and equipment	37,418	40,240
- Allowances and provisions	3,681	6,464
- Hire purchase creditors	5,274	4,214
- Unused tax losses	48,007	31,633
- Deferred revenue	2,675	2,504
- Unutilised capital allowances	20,823	18,362
- Others	8	35
••••••		
	122,065	108,594
Offsetting	(65,574)	(69,308)
Deferred tax assets (after offsetting)	56,491	39,286
Deferred tax liabilities (before offsetting)		
- Intangible assets	(51,885)	(54,655)
- Property, plant and equipment	(101,533)	(85,373)
	(153,418)	(140,028)
Offsetting	65,574	69,308
D. C L L. 1999 . A G G L	(07.044)	(70.700)
Deferred tax liabilities (after offsetting)	(87,844)	(70,720)

The amount of allowances, deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position is as follows:

	GRO	DUP	COMPANY		
	2010	2009	2010	2009	
	RM'000	RM'000	RM'000	RM'000	
Unused tax losses	142,340	185,848	6,077	7,410	
Deductible temporary differences	13,076	54,043	48	_	
Reinvestment allowances	402,928	402,928	_	_	
	558,344	642,819	6,125	7,410	
Deferred tax assets not recognised at 25% (2009: 25%)	139,586	160,705	1,531	1,852	

The deductible temporary differences, unused tax losses and reinvestment allowances are available indefinitely for offset against future taxable profits of the Group and Company, subject to agreement with the Inland Revenue Board. These tax benefits will only be obtained if the Group and Company derive future assessable income of a nature and amount sufficient for the tax benefits to be utilised. Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences of certain entities within the Group as these entities have a history of losses or are dormant.

### 25 PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD Land RM'000	FREEHOLD Land at Cost RM'000	BUILDING AT Valuation RM'000	BUILDING At Cost RM'000	PLANT AND Machinery At Cost RM'000	BROADCASTING AND Transmission Equipment At Cost RM'000	
Group 2010							
Cost/valuation							
At 1.1.2010	21,695	89,754	5,957	309,573	687,998	561,131	
Additions	_	_	_	110	5,266	25,364	
Disposals	_	(10,119)	_	_	(1)	_	
Write off	_	_	_	_	(14)	_	
Reclassification to							
Investment Properties (Note26)	_	_	_	(450)	_	_	
Reclassification	_	_	_	_	_	_	
Currency translation differences	(672)	_	(593)	(439)	(172)	(2,129)	
Reclassification to assets held for sale	(6,081)		(5,364)	(3,970)	(1,560)	(19,263)	
At 31.12.2010	14,942	79,635	_	304,824	691,517	565,103	
Accumulated depreciation							
At 1.1.2010	2,115	_	2,014	91,855	384,168	403,252	
Charge for the financial year	1,059	_		6,318	20,249	21,826	
Disposals	-	_	_	-		_	
Write off	_	_	_	_	(14)		
Relcaasification to					(,		
Investment Properties (Note 26)	_	_	_	(3)	_	_	
Currency translation differences	(59)	_	(205)	(99)	(166)	(1,957)	
Reclassification to assets held for sale	(538)	_	(1,809)	(874)	(1,468)	(17,405)	
		•••••					
At 31.12.2010	2,577	_	-	97,197	402,769	405,716	
Accumulated impairment losses							
At 1.1.2010 Reversal of impairment	- -	3,265 —	- -	50,020 (153)	<b>42,985</b> –	36,407 -	
At 31.12.2010	_	3,265	_	49,867	42,985	36,407	
Net book value							
At 31.12.2010	12,365	76,370	_	157,760	245,763	122,980	

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228	60,463	5,416	4,900	1,939	13,711	26,853	728,748
_	3,975	_	910	_	_	382	137,791
- -	3,975 —	_ 	910 —	_ 	_ 	1,417 (1,035)	138,979 (1,188)
1,066	198,267	21,966	14,419	28,869	_	76,106	1,248,952
 - - -	(363) (3,613)	- 402 -	(387) (3,428)	- - (1)	– (2) (15)	- - 	(3) (2,836) (29,151)
-	(8)	-	-	-	-	(75)	(97)
936 130 —	178,889 23,402 (40)	19,049 2,515 —	15,938 2,300 (4)	27,368 1,502 —	17 - -	68,657 7,524 —	1,194,258 86,825 (44)
1,294	262,705	27,382	20,229	30,808	13,711	103,341	2,115,491
 _ 	(316) (2,830)	422 	(393) (3,553)	_ (1)	(23) (205)	_ 	(4,315) (42,827)
- -	- 14,913	- -	- -	- -	– (14,913)	- -	( <b>450</b> ) –
- -	(59) (9)	- -	(5) —	- -	- -	(44) (149)	(10,228) (172)
1,294 —	226,519 24,487	24,991 1,969	22,848 1,332	30,809 —	17,604 11,248	100,669 2,865	2,100,842 72,641
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PRODUCTION EQUIPMENT AT COST	OFFICE EQUIPMENT, FURNITURE AND FITTINGS AT COST	OFFICE RENOVATIONS AT COST	MOTOR VEHICLES AT COST	LEASEHOLD IMPROVEMENTS AT COST	ASSETS UNDER CONSTRUCTION AT COST	STRUCTURES AT COST	TOTAL

#### 25 PROPERTY, PLANT AND EQUIPMENT cont'd

	LEASEHOLD Land* RM'000	FREEHOLD Land at Cost RM'000	BUILDING AT Valuation RM'000	BUILDING At Cost RM'000	PLANT AND Machinery At Cost RM'000	BROADCASTING AND TRANSMISSION EQUIPMENT AT COST RM'000		
Group 2009 (restated)								
Cost/valuation								
At 1.1.2009	6,834	10,540	6,027	41,958	1,770	550,952		
Additions	· –	· _	· _	, _	. –	25,047		
Disposals	_	_	_	_	_	_		
Write off	_	_	_	_	_	(14,957)		
Acquisition of subsidiaries	14,943	79,214	_	267,666	686,248	321		
Currency translation differences	(82)		(70)	(51)	(20)	(232)		
At 31.12.2009	21,695	89,754	5,957	309,573	687,998	561,131		_
Accumulated depreciation								
At 1.1.2009	502	_	1,949	11,352	1,654	395,987		
Charge for the financial year	105	_	90	652	15	22,295		
Disposals	_	_	_	_	_	_		
Write off	_	_	_	_	_	(14,931)		
Acquisition of subsidiaries	1,517	_	_	79,863	382,517	134		
Currency translation differences	(9)		(25)	(12)	(18)	(233)		
At 31.12.2009	2,115	_	2,014	91,855	384,168	403,252	-	
Accumulated impairment losses								
At 1.1.2009	_	3,265	_	5,618	_	36,407		
Charged for the year	_	· –	_	11,793	_	_		
Acquisition of subsidiaries				32,609	42,985		).	<del></del>
At 31.12.2009	_	3,265	_	50,020	42,985	36,407	-	
Net book value								
At 31.12.2009	19,580	86,489	3,943	167,698	260,845	121,472		\_

<sup>\*</sup> Leasehold land balance has been reclassified from Prepaid Lease Payments

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PRODUCTION Equipment at cost RM'000	OFFICE EQUIPMENT, FURNITURE AND FITTINGS AT COST RM'000	OFFICE Renovations At Cost RM'000	MOTOR Vehicles at cost RM'000	LEASEHOLD Improvements at cost RM'000	ASSETS Under Construction At Cost RM'000	STRUCTURES At Cost RM'000	TOTAL RM'000
1.004	00.746	00.570	10.700	00.040	1 101	00.740	050 010
1,294	93,746	20,576	18,798	29,948	1,121	68,746	852,310
_	10,686	4,372	1,109	861	15,354	3,872	61,301
_	(461)	(271)	(1,846)	_	(376)	(69)	(3,023)
	(8,543)	(27) 346	- 4,830	_	- 1,508	(62)	(23,589)
_	131,121 (30)	(5)	4,630 (43)	_	(3)	28,182	1,214,379 (536)
 ·····	(30)	(5)	(43)		(3)		(550)
1,294	226,519	24,991	22,848	30,809	17,604	100,669	2,100,842
787	67,833	17,180	11,486	25,044	17	49,077	582,868
149	9,771	1,873	2,389	2,324	_	5,388	45,051
_	(303)	(62)	(1,122)		_	(53)	(1,540)
_	(7,711)	(5)	-	_	_	(36)	(22,683)
_	109,351	67	3,231	_	_	14,281	590,961
_	(52)	(4)	(46)	_	_	_	(399)
 •••••				• • • • • • • • • • • • • • • • • • • •		•••••	
936	178,889	19,049	15,938	27,368	17	68,657	1,194,258
_	3,975	_	910	_	_	382	50,557
_	5,575 —	_	_	_	_	1,035	12,828
_	_	_	_	_	_	_	75,594
		• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • • • • • • • • • • • •			• • • • • • • • • • • • • • • • • • • •
	3,975	_	910	_	_	1,417	138,979
358	43,655	5,942	6,000	3,441	17,587	30,595	767,605

#### 25 PROPERTY, PLANT AND EQUIPMENT cont'd

	LEASEHOLD Land* RM'000	FREEHOLD Land at Cost RM'000	BUILDING AT Valuation RM'000	BUILDING At Cost RM'000	PLANT AND Machinery At Cost RM'000	BROADCASTING AND TRANSMISSION EQUIPMENT AT COST RM'000	
Group							
2008 (restated)							
Cost/valuation							
At 1.1.2008	6,522	10,246	5,751	41,754	1,613	522,784	
Additions	_	294	_	_	80	27,530	
Disposals	_	_	_	_	_	(21)	
Write off	_	_	_	_	_	_	
Currency translation differences	312		276	204	77	659	,
At 31.12.2008	6,834	10,540	6,027	41,958	1,770	550,952	
Accumulated depreciation							
At 1.1.2008	380	_	1,816	10,671	1,605	376,397	
Charge for the financial year	100	_	86	657	13	19,275	
Disposals	_	_	_	_	(4)	(10)	
Write off	_	_	_	_	_	_	
Currency translation differences	22		47	24	40	325	
At 31.12.2008	502	-	1,949	11,352	1,654	395,987	
Accumulated impairment losses							
At 1.1.2008	_	3,265	_	5,618	_	36,407	
Charged for the year							<u>.</u> /\
At 31.12.2008	-	3,265	-	5,618	-	36,407	
Net book value							
At 31.12.2008	6,332	7,275	4,078	24,988	116	118,558	

<sup>\*</sup> Leasehold land balance has been reclassified from Prepaid Lease Payments

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PRODUCTION Equipment at cost RM'000	OFFICE EQUIPMENT, FURNITURE AND FITTINGS AT COST RM'000	OFFICE Renovations At Cost RM'000	MOTOR Vehicles At Cost RM'000	LEASEHOLD Improvements at cost RM'000	ASSETS UNDER Construction At Cost RM'000	STRUCTURES At Cost RM'000	TOTAL RM'000
989 305 — —	85,454 9,282 (106) (942) 58	17,875 2,890 — (189)	16,450 6,115 (3,938) — 171	29,068 880 — —	1,049 61 - - 11	65,655 3,828 (557) (180)	805,210 51,265 (4,622) (1,311) 1,768
1,294	93,746	20,576	18,798	29,948	1,121	68,746	852,310
677 110 - - -	60,811 7,703 (260) (478) 57	14,560 2,752 (132) —	9,260 2,793 (649) - 82	24,700 344 - - -	17 - - - -	43,951 5,374 (93) (155)	544,845 39,207 (1,148) (633) 597
787	67,833	17,180	11,486	25,044	17	49,077	582,868
- -	3,975 —	- -	910 —	_ _	_ _	382 _	50,557 —
	3,975	_	910			382	50,557
507	21,938	3,396	6,402	4,904	1,104	19,287	218,885

### notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 25 PROPERTY, PLANT AND EQUIPMENT cont'd

	GR	OUP
	2010 RM'000	2009 RM'000
	KIN 000	KW 000
Office equipment, furniture & fittings		
Cost		
At 1 January	3,555	259
Additions	27	3,297
At 31 December	3,582	3,556
Accumulated depreciation		
At 1 January	878	66
Charge for the financial year	1,238	813
At 31 December	2,116	879
Net book value		
At 31 December	1,466	2,677

(a) The value of property, plant and equipment of the Group includes the following assets acquired under hire-purchase and finance lease agreements:

	COST	ACCUMULATED DEPRECIATION	NET BOOK Value
	RM'000	RM'000	RM'000
Group 2010			
Broadcasting, transmission and production equipment	29,992	(9,564)	20,428
Office equipment and furniture and fittings	10,008	(3,300)	6,708
Motor vehicles	504	(461)	43
	40,504	(13,325)	27,179
2009			
Broadcasting, transmission and production equipment	28,742	(5,573)	23,169
Motor vehicles	504	(402)	102
Assets under construction	1,293		1,293
	30,539	(5,975)	24,564

#### (b) Leasehold land

Long term leasehold land and buildings of a subsidiary were last revalued by the Directors on 20 September 1996 based on valuations carried out by professional valuers to reflect the market value for existing use. The book values of the leasehold land and buildings were adjusted to the revalued amounts and the resultant surpluses were credited to the revaluation reserve.

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#### 26 INVESTMENT PROPERTIES

	LEASEHOLD Land at cost RM'000	FREEHOLD Land at cost rm'000	BUILDINGS At COST RM'000	CINEMA At Cost RM'000	TOTAL RM'000
Group					
Cost					
At 1 January 2010	12,536	9,831	64,184	2,382	88,933
Additions	_	-	210	-	210
Reclassification from property, plant and equipment Disposal	- -	_ 	450 (3,070)	_ 	450 (3,070)
At 31 December 2010	12,536	9,831	61,774	2,382	86,523
Accumulated depreciation					
At 1 January 2010	1,056	_	9,427	699	11,182
Charge for the financial year	2,124	-	126	-	2,250
Reclassification from property, plant and equipment Disposal	-	- -	3 (466)	_ _	3 (466)
At 31 December 2010	3,180		9,090	699	12,969
Accumulated impairment losses					
At 1 January 2010	1,132	535	10,572	1,683	13,922
Charge for the financial year	325	566	891	<del>-</del>	1,782
At 31 December 2010	1,457	1,101	11,463	1,683	15,704
Net book value					
At 31 December 2010	7,899	8,730	41,221	-	57,850

#### 26 INVESTMENT PROPERTIES cont'd

	LEASEHOLD Land at cost RM'000	FREEHOLD Land at cost RM'000	BUILDINGS At Cost RM'000	CINEMA At Cost Rm'000	TOTAL Rm'000
Group (restated)					
Cost					
At 1 January 2009 Acquisition of subsidiaries Disposal	4,493 9,175 (1,132)	1,037 8,794 —	14,343 50,331 (490)	2,382 - -	22,255 68,300 (1,622)
At 31 December 2009	12,536	9,831	64,184	2,382	88,933
Accumulated depreciation					
At 1 January 2009 Acquisition of subsidiaries Charge for the financial year Disposal	531 710 47 (232)	- - - 	2,085 7,286 206 (150)	651 - 48 -	3,267 7,996 301 (382)
At 31 December 2009	1,056	<u>-</u>	9,427	699	11,182
Accumulated impairment losses					
At 1 January 2009 Acquisition of subsidiaries Charge for the financial year	1,132 - -	168 367 —	1,098 6,998 2,476	78 - 1,605	2,476 7,365 4,081
At 31 December 2009	1,132	535	10,572	1,683	13,922
Net book value					
At 31 December 2009	10,348	9,296	44,185	_	63,829

The above properties are not occupied by the Group and are used to earn rentals or for capital appreciation.

The Group recognised an impairment loss of RM1,782,000 (2009: RM4,081,000) during the financial year in respect of land and buildings for which the recoverable amount using the selling price based on independent professional valuation reports was lower than the carrying amount.

#### 26 INVESTMENT PROPERTIES cont'd

	LEASEHOLD Land at cost RM'000	FREEHOLD Land at cost Rm'000	BUILDINGS At Cost RM'000	CINEMA At Cost Rm'000	TOTAL RM'000
Group (restated)					
Cost					
At 1 January 2008 Disposal	4,493 —	1,619 (582)	14,935 (592)	2,382 	23,429 (1,174)
At 31 December 2008	4,493	1,037	14,343	2,382	22,255
Accumulated depreciation					
At 1 January 2008 Charge for the financial year Disposal	484 47 —	- - -	2,070 225 (210)	605 46 —	3,159 318 (210)
At 31 December 2008	531		2,085	651	3,267
Accumulated impairment losses					
At 1 January 2008 Charge for the financial year	945 187	36 132	1,098 —	78 _	2,157 319
At 31 December 2008	1,132	168	1,098	78	2,476
Net book value					
At 31 December 2008	2,830	869	11,160	1,653	16,512

The fair value of the properties was estimated at RM63.5 million (2009: RM53.8 million) based on valuations by independent professional valuers in 2010. Valuations were based on current prices in an active market.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM448,924 (2009: RM378,828).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM210,102 (2009: RM257,562).

The titles to freehold and leasehold properties included in the investment properties for the Group at net book value of RM14,487,000 (2009: RM13,116,000) are in the process of being transferred to the Group. Risks, rewards and effective titles to those properties have been passed to the Group upon unconditional completion of the acquisition of the properties. The Group has submitted the relevant documents to the authorities for transfer of legal titles to the Group and is awaiting the process and formalities of this transfer to be completed.

#### 27 SUBSIDIARIES

	COMPANY	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost	1,324,403	660,318
Quoted shares, at cost	-	597,060
	1,324,403	1,257,378
Market value of quoted shares	-	342,090

There are no listed subsidiaries as at 31 December 2010 following the de-listing of NSTP, a subsidiary during the financial year.

The details of the subsidiaries are as follows:

	COUNTRY OF		INTE 2010	REST IN EQUITY
NAME OF COMPANY	INCORPORATION	PRINCIPAL ACTIVITIES	% %	2009 %
Sistem Televisyen Malaysia Berhad ("STMB")	Malaysia	Commercial television broadcasting	100	100
Ch-9 Media Sdn Bhd ("TV9")	Malaysia	Commercial television broadcasting	100	100
Natseven TV Sdn Bhd ("ntv7")	Malaysia	Commercial television broadcasting	100	100
Synchrosound Studio Sdn Bhd	Malaysia	Commercial radio broadcasting	100	100
One FM Radio Sdn Bhd	Malaysia	Commercial radio broadcasting	80	80
Big Tree Outdoor Sdn Bhd	Malaysia	Provision of advertising space and related services, investment holding and management services	100	100
UPD Sdn Bhd	Malaysia	Outdoor advertising	100	100
The Right Channel Sdn Bhd	Malaysia	Outdoor advertising	100	100
Kurnia Outdoor Sdn Bhd (Note 38 (ii))	Malaysia	Outdoor advertising	89	80
Jupiter Outdoor Network Sdn Bhd (Note 38 (ii))	Malaysia	Outdoor advertising	89	80
Merit Idea Sdn Bhd	Malaysia	Investment holding	100	100
Perintis Layar Sdn Bhd	Malaysia	Investment holding	100	100
Primeworks Studios Sdn Bhd	Malaysia	Production of motion picture films, acquiring ready made films from local producers and production houses and investment holding	100	100
Big Events Sdn Bhd	Malaysia	Events management	100	100
The Talent Unit Sdn Bhd	Malaysia	Talent management of artistes	100	100
Alternate Records Sdn Bhd	Malaysia	Album production and recording studio	100	100

#### 27 SUBSIDIARIES cont'd

				REST IN EQUITY
NAME OF COMPANY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	2010 %	2009 %
Amity Valley Sdn Bhd	Malaysia	Investment holding	100	100
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	100	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	100	100
mmStudios Sdn Bhd	Malaysia	Group procurement services	100	100
Able Communications Sdn Bhd	Malaysia	Dormant	100	100
Encorp Media Technology Sdn Bhd	Malaysia	Dormant	100	100
Star Crest Media Sdn Bhd	Malaysia	Dormant	100	100
Lazim Juta Sdn Bhd	Malaysia	Investment holding	100	100
The New Straits Times Press (Malaysia) Berhad ("NSTP") (Note 38(i))	Malaysia	Publishing and sale of newspaper and investment holding	98.17	86.06
Held by NSTP				
Asia Pacific Enterprise Computing Sdn Bhd *	Malaysia	Dormant	100	100
Berita Book Centre Sdn Bhd	Malaysia	Dormant	100	100
Berita Harian Sdn Berhad	Malaysia	Provision of Bahasa Malaysia editorial services	100	100
Berita Information Systems Sdn Bhd	Malaysia	Dormant	100	100
Bisofware Sdn Bhd *	Malaysia	Dormant	100	100
BT Information Sdn Bhd+	Malaysia	Dormant	-	100
Business Times (Malaysia) Sdn Bhd	Malaysia	Dormant	100	100
IT Publications Sdn Bhd+	Malaysia	Dormant	-	100
Marican Sdn Berhad	Malaysia	Dormant	92.5	92.5
New Straits Times Sdn Bhd	Malaysia	Provision of English editorial services	100	100
New Straits Times Technology Sdn Bhd	Malaysia	Dormant	100	100
NSTP e-Media Sdn Bhd	Malaysia	Internet based on-line services	100	100
Rampaian Media Sdn Bhd+	Malaysia	Dormant	_	100

### 27 SUBSIDIARIES cont'd

	COUNTRY OF		INTEREST IN EQUITY	
NAME OF COMPANY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	2010 %	2009 %
Shin Min Publishing (Malaysia) Sdn Bhd	Malaysia	Dormant	89.6	89.6
The New Straits Times Properties Sdn Bhd	Malaysia	Property management services	100	100
Held by Kurnia Outdoor Sdn Bhd				
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	100	100
Held by Jupiter Outdoor Network Sdn Bhd				
Calcom Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	99.99	99.99
Lokasi Sejagat Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	100	100
Wawasan Kilat Sdn Bhd	Malaysia	Dormant	100	100
Skyten Marketing Sdn Bhd	Malaysia	Dormant	100	100
Held by Merit Idea Sdn Bhd				
Metropolitan TV Sdn Bhd ("8tv")	Malaysia	Commercial television broadcasting	100	100
Held by Perintis Layar Sdn Bhd				
Max-Airplay Sdn Bhd (Note 38 (iii))	Malaysia	Commercial radio broadcasting	100	75
Held by Big Tree Outdoor Sdn Bhd				
Big Tree Productions Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	100	100
Uniteers Outdoor Advertising Sdn Bhd	Malaysia	Advertising contracting and agents, sale of advertising space	100	100
Gotcha Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	100	100
Eureka Outdoor Sdn Bhd	Malaysia	Dormant	100	100
Anchor Heights Sdn Bhd	Malaysia	Dormant	100	100
Uni-Talent Gateway Sdn Bhd	Malaysia	Dormant	100	100
Held by Alternate Records Sdn Bhd				
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	60	60

#### 27 SUBSIDIARIES cont'd

				INTEREST IN EQUITY	
NAME OF COMPANY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	<b>2010</b> %	<b>2009</b> %	
Held by Primeworks Studios Sdn Bhd					
Alt Media Sdn Bhd	Malaysia	New media businesses and related activities	100	100	
Held by UPD Sdn Bhd					
Utusan Sinar Media Sdn Bhd	Malaysia	Dormant	100	100	
Held by The Right Channel Sdn Bhd					
MMC-AD Sdn Bhd	Malaysia	Undertaking outdoor advertising business	100	100	
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	100	100	
Held by Amity Valley Sdn Bhd					
Gama Media International (BVI) Ltd	British Virgin Islands	Investment holding	100	100	
Held by Gama Media International (BVI) Ltd					
Gama Film Company Limited ^	Republic of Ghana	Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution	70	70	
TV3 Network Limited ^	Republic of Ghana	Media and communication businesses, managerial services and operation of free-to-air television service	90	90	
Cableview Network Limited ^	Republic of Ghana	Dormant	70	70	
Gama Media Systems Limited ^	Republic of Ghana	Dormant	70	70	
Held by Lazim Juta Sdn Bhd					
Strategic Media Asset Mgmt Co. Ltd.	Labuan	Dormant	100	100	

Audited by a firm other than PricewaterhouseCoopers, Malaysia.
 Strike off applications made to the Register of Companies on 8 September 2009 and are still pending.
 Struck off from the Register of Companies during the financial year.

### notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 27 SUBSIDIARIES cont'd

The Company undertook the test for impairment of its investments in ntv7 and Fly FM. For the purpose of such test, receivables from these entities classified as quasi investments are included as part of the carrying amount, together with the equity cost of investment in those subsidiaries. No impairment loss was required for the carrying amount of these investments assessed as at 31 December 2010 as their recoverable amount was in excess of their carrying amount.

(a) Key assumptions used in the VIU calculations

VIU for ntv7 and Fly FM are determined by discounting the future cash flows to be generated from continuing use based on the following assumptions:

- (i) Cash flows are derived based on the approved budgeted cash flows for 2011 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.
- (ii) The key assumptions used are as follows:

ASSUMPTION	ntv7	Fly FM
Pre tax discount rate	15.3% (2009: 9.55%)	16.0% (2009: –)
Average annual 5 year revenue growth rate	10.3% (2009: 11.52%)	5.0% (2009: –)

- (iii) A terminal growth rate of 2.5% (2009: 2%) is applied in the VIU calculation. The revision of average revenue growth rate and terminal growth rate reflects the upward revision in long term growth forecast.
- (iv) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.
- (v) Contribution margins are projected based on the industry trends, together with the trends observed within the Group.
- (vi) Maintenance costs and taxes at 25% is incorporated in the cash flows.
- (b) Impact of possible change in key assumptions

Based on the sensitivity analysis performed for Fly FM, if the terminal growth used had been 5% lower than management estimate, the recoverable amount will approximate the carrying amount. If the estimated revenue growth used for the purpose of assessment of impairment of this investment had been 2% lower than management's estimate, the recoverable amount will approximate the carrying amount. If the estimated pre-tax discount rate applied to the discounted cash flows had been 1% higher than the management's estimate, the recoverable amount will approximate the carrying amount.

Based on the sensitivity analysis performed for ntv7, any change in the key assumptions used would result in carrying amount exceeding recoverable amount.

## 28 ASSOCIATES

	GROUP	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost	222,887	222,887
Share of post acquisition results, net of dividends received	(10,513)	(16,709)
Total	212,374	206,178

The Group's share of revenue, profit, assets and liabilities of the associates are as follows:

_	GROUP	
	2010	2009
	RM'000	RM'000
Revenue	107,589	252,537*
Net profit for the financial year	6,196	16,513*
Non-current assets	248,379	255,954
Current assets	21,715	24,707
Current liabilities	(32,417)	(45,015)
Non-current liabilities	(25,303)	(29,468)
Share of net assets	212,374	206,178

<sup>\*</sup> These include the share of revenue and profit of The New Straits Times Press (Malaysia) Berhad, which became a subsidiary as at 31 December 2009 (Note 38(i)).

Details of the associates, all of which are incorporated in Malaysia, are as follows:

			INTEREST IN EQUITY	
NAME OF COMPANY	PRINCIPAL ACTIVITIES	2010 %	2009 %	
Sistem Network Nusantara Sdn Bhd	Dormant	49.00	49.00	
Held by NSTP				
Asia Magazines Limited (Incorporated in Hong Kong)	Dormant	26.41^	23.15*	
Business Day Co. Ltd (Incorporated in Thailand)	Dormant	46.63^	40.88*	
Malaysian Newsprint Industries Sdn Bhd	Manufacture and sale of newsprint and related paper products	21.00^	18.42*	
Laras Perkasa Sdn Bhd	Dormant	29.45^	25.82*	

<sup>\*</sup> Effective interest via 86.06% interest in NSTP

<sup>^</sup> Effective interest via 98.17% interest in NSTP

## **notes to the financial statements** cont'd for the financial year ended 31 December 2010

## 29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	GROUP 2010 Rm'000
Shares in corporations, quoted in Malaysia	125
Units in property and unit trusts, quoted in Malaysia	3,040
Shares in corporations, unquoted in Malaysia	88
	3,253

	KW UUU
The balance as at 1 January 2010:	
As previously reported as at 31 December 2009 - Reclassification from Investment (Note 31)	– 2,891
As restated as Financial Assets at Fair Value Through Profit or Loss as at 1 January 2010	2,891

Investments have been designated as financial assets at fair value through profit or loss following the implementation of FRS139 on 1 January 2010.

Changes in fair values of financial assets at fair value through profit or loss are recorded on the face of the profit or loss.

The fair value of all equity securities is based on their current bid prices in an active market.

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## 30 INTANGIBLE ASSETS

	PROGRAMMES And Film Rights (Definite Life) RM'000	GOODWILL (Indefinite Life) RM'000	ACQUIRED CONCESSION RIGHTS AND OUTDOOR ADVERTISING RIGHTS (DEFINITE LIFE) RM'000	GROUP  ACQUIRED CONCESSION RIGHTS AND OUTDOOR ADVERTISING RIGHTS (INDEFINITE LIFE) RM'000	ACQUIRED PUBLISHING RIGHTS AND CONTRACTS (DEFINITE LIFE) RM'000	ACQUIRED PUBLISHING RIGHTS AND CONTRACTS (INDEFINITE LIFE) RM'000	TOTAL RM'000
At 1 January 2010	39,288	125,260	32,480	39,446	5,590	161,012	403,076
Additions	172,810	-	-	-	-	-	172,810
Acquisition of further interest in subsidiaries	_	2,910	_	_	_	_	2,910
	212,098	128,170	32,480	39,446	5,590	161,012	578,796
Amortisation during the financial year Write off during the	(182,527)	-	(5,342)	-	(5,590)	-	(193,459)
financial year	(400)	_	_	_	_	_	(400)
Reclass to assets held for sale	(3,107)						(3,107)
At 31 December 2010	26,064	128,170	27,138	39,446	-	161,012	381,830
At 1 January 2009 Additions	31,077 209,120	94,525	31,369	22,113	-	-	179,084 209,120
Acquisition of subsidiaries	·····	30,735	6,318	17,333	5,590	161,012	220,988
	240,197	125,260	37,687	39,446	5,590	161,012	609,192
Gross amortisation during the financial year Write off during the	(194,387)		(5,207)	-	-	-	(199,594)
financial year	(6,522)						(6,522)
At 31 December 2009	39,288	125,260	32,480	39,446	5,590	161,012	403,076

Intangible assets with indefinite useful lives are tested for impairment on an annual basis. Included in intangible assets are acquired rights which have indefinite useful lives, totalling RM200.4 million (2009: RM200.4 million). These assets are deemed to have indefinite useful lives as they are renewable with minimum cost to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. Based on the test performed as described below, the Directors concluded that the recoverable amount, calculated based on value-in-use, is higher than the carrying amount.

MEDIA PRIMA BERHAD

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 30 INTANGIBLE ASSETS cont'd

## Impairment tests for intangible assets with indefinite useful life

The carrying amounts of intangible assets allocated to the Group's cash-generating units ("CGUs") are as follows:

	GR	GROUP	
	2010	2009	
	RM'000	RM'000	
NSTP Group	161,012	161,012	
BTO Group	116,638	116,638	
Kurnia Group	35,273	33,262	
One FM	11,384	14,806	
Others	4,321		
	328,628	325,718	

The change in basis from prior year reflects the reassessment of operating segments as disclosed in Note 3.

No impairment loss was required for the carrying amounts of the remaining goodwill assessed as at 31 December 2010 as their recoverable amounts were in excess of their carrying amounts.

The recoverable amounts of the CGUs, are determined based on value-in-use calculations. Cash flows are derived based on the approved budgeted cash flows for 2011 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

The key assumptions used for the value-in-use calculations are as follows:

	2010			2009	
	NSTP	BTO	KURNIA	ONE	BTO
	GROUP*	GROUP	GROUP*	FM*	GROUP
	%	%	%	%	%
Average revenue growth	5.0	7.5	7.5	7.5	7.5
Average revenue growth		7.5	7.5	7.5	
Pre-tax discount rate	12.0	16.0	16.0	16.0	9.55
Terminal growth rate	_	2.5	2.5	2.5	2.0

- (i) A terminal growth rate of 2.5% (2009: 2%) is applied in the VIU calculation. The revision of average revenue growth rate and terminal growth rate reflects the upward revision in long term growth forecast.
- (ii) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.
- (iii) Contribution margins are projected based on the industry trends, together with the trends observed within the Group.
- (iv) Maintenance costs and taxes at 25% is incorporated in the cash flows.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

\* The comparatives for NSTP Group, Kurnia Group and One FM were not included as these were newly acquired subsidiaries in 2009.

## 31 AVAILABLE-FOR-SALE FINANCIAL ASSETS / INVESTMENTS

	2010 RM'000	2009 RM'000
At 1 January  - As previously reported as Investments  - Effect of adoption of FRS 139  - Reclassification to Financial Asset at FVTPL (Note 29)	3,636 256 (2,891)	3,636 - -
As adjusted as at 1 January (Note 46 (i)) Net gains transfer to equity (Note 46 (ii))	1,001 119	3,636 —
At 31 December	1,120	3,636

Available-for-sale financial assets comprise unquoted shares and are denominated in Ringgit Malaysia.

The fair values of unlisted securities are based on market value of the unlisted securities derived from arm's length transactions.

## 32 INVENTORIES

	GROUP	
	2010	2009
	RM'000	RM'000
Raw materials	108,096	122,754
Publication stocks	419	71
Consumable spares	_	282
Musical albums	_	34
	108,515	123,141

## 33 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Trade receivables	369,198	368,353		
			_	_
Less: Provision for impairment	(72,799)	(79,842)		
	296,399	288,511	-	-
Less: Advanced billings	(3,312)	(4,986)	_	_
	293,087	283,525	_	_
Deposits	11,161	10,492	74	74
Prepayments	22,021	15,460	413	1,330
Other receivables	189,121	186,881	180	622
	222,303	212,833	667	2,026
	,	212,000		2,020
Less: Provision for impairment of other receivables	(170,521)	(171,091)	_	_
		(171,031)		
	E1 702	11 710	667	2 026
	51,782	41,742	667	2,026
	044.000	205.067	007	0.000
	344,869	325,267	667	2,026

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 33 TRADE AND OTHER RECEIVABLES cont'd

All receivables are mostly due within 12 months from the end of the reporting period.

The fair values of trade and other receivables approximates the carrying value.

As of 31 December 2010, trade receivables that were past due but not impaired are as disclosed below. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	RM'000
Ageing 3 to 6 months Ageing 7 to 12 months Over 12 months	70,438 13,628 2,825
	86,891

As of 31 December 2010, trade receivables of RM72,799,000 (2009: RM79,842,000) were impaired and provided for. The individually impaired receivables mainly relate to customers that defaulted in payment, which are in unexpectedly difficult financial position. It was assessed that an insignificant portion of the receivables is only expected to be recovered. The ageing of these receivables is as follows:

	2010 RM'000
Ageing 3 to 6 months	_
Ageing 3 to 6 months Ageing 7 to 12 months Over 12 months	323
	72,476
	72,799

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	GRO	GROUP	
	2010	2010 2009	
	RM'000	RM'000	
RM	367,456	260,078	
USD	324	260,078 96,960	
Cedi	_	10,611 662	
SGD Others	1,406	662	
	12	42	
	369,198	368,353	

Movements on the Group's provision for impairment of receivables are as follows:

	GROUP	
	2010	2010
	TRADE	OTHER
	RECEIVABLES	RECEIVABLES
	RM'000	RM'000
At 1 January	79,842	171,091
Impairment charge for the financial year	3,021	295
Unused amounts reversed	(425)	(480)
Receivables written off during the financial year as uncollectible	(9,639)	(385)
At 31 December	72,799	170,521

## 33 TRADE AND OTHER RECEIVABLES cont'd

The creation and release of provision for impaired receivables have been included as a net amount in the profit and loss. Amounts charged as impairment are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds bank guarantees and deposits amounting to RM41.6 million as collateral to reduce its credit risk.

## 34 AMOUNTS DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2010 RM'000	2009 RM'000
	KIII OOO	KIII 000
Non-current:		
Amount due from subsidiaries (Note a)	423,508	_
Current:		
Amounts due from subsidiaries (Note b)	95,410	531,733
Less: Provision for impairment	(3,157)	(3,157)
	92,253	528,576
Amount due to subsidiaries	6,088	1,485

- (a) The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecure and interest free for which the Company has no current or foreseeable intention to recall these advances. These balances are the Company's quasi investment in the respective subsidiaries.
- (b) The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecured and interest free. These balances are expected to be realisable within the next financial year.

## 35 DEPOSITS, CASH AND BANK BALANCES

	GROUP		GROUP COMPANY		PANY
•	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Cash and bank balances	65,084	69,963	16,698	7,018	
Deposits with licensed financial institutions: - Deposits with licensed banks	252,847	23,909	118,447	2,662	
- Deposits with licensed finance companies - Deposits with discount houses	_ 	10,115 45,937	_ 	28,717	
	252,847	79,961	118,447	31,379	
Deposits, cash and bank balances (Note 37)	317,931	149,924	135,145	38,397	

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 35 DEPOSITS, CASH AND BANK BALANCES cont'd

The currency exposure profile of deposits, cash and bank balances is as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	317,931	149,598	135,145	38,397
Cedi	-	326	—	—
	317,931	149,924	135,145	38,397

During the financial year, the interest rates for the deposits ranged from 1.85% to 2.95% (2009: 1.98% to 2.5%) per annum for the Group and for the Company. As at 31 December 2010, the effective interest rates for the deposits ranged from 1.85% to 2.95% (2009: 1.98% to 2.5%) per annum for the Group and for the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2009: 30 days to 365 days).

Bank balances are deposits held at call with banks and earn no interest.

#### 36 AMOUNTS DUE TO/FROM AN ASSOCIATE

The amounts due to/from an associate is denominated in Ringgit Malaysia, unsecured, interest free and has no fixed terms of repayment.

## 37 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits, cash and bank balances (Note 35) Cash from subsidiary held for sale	317,931 578	149,924 —	135,145 —	38,397 —
Less:				
Restricted deposits:				
- Deposits with a licensed bank	(9,740)	(7,215)	(5,251)	(2,825)
- Bank balances and deposits held in respect of public donations	(2,827)	(2,384)	_	_
	305,942	140,325	129,894	35,572
Less: Bank overdrafts (Note 19)	_	(1,399)	_	_
	305,942	138,926	129,894	35,572

Bank balances at the end of the financial year include the following deposits which are not available for use by the Group and the Company:

- (a) Deposits with a licensed bank, amounting to RM3,069,717 (2009: RM3,000,917), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company. These are long term restricted cash up to 2014.
- (b) Deposits with licensed bank of RM1,420,397 (2009: RM1,388,420) are pledged to the licensed bank as security for the overdraft and bank guarantee facilities granted to a subsidiary company.
- (c) Deposits with licensed bank of RM Nil (2009: RM2,825,000) which have been placed with the licensed bank for term loan facilities extended to the Group.

#### 37 CASH AND CASH EQUIVALENTS cont'd

- (d) Deposits with licensed bank of RM4,499,602 which have been placed with the licensed bank for bond security. These are restricted cash up to 2015.
- (e) Proceeds received from exercise of warrants amounting to RM751,088 have been placed under proceeds account in a licensed bank pursuant to the RFRB Deed Poll. These are restricted cash up to 2015.
- (f) Bank balances and deposits held in respect of public donations are restricted from being used by the Group indefinitely other than for the purpose of distribution to designated recipients.

## 38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

(i) The New Straits Times Press (Malaysia) Berhad ("NSTP")

In 2009, the Company had undertaken the following:

- a conditional take-over offer to acquire all the remaining NSTP Shares not already owned by the Company ("Offer Share"), at an offer price of RM2.40 per Offer Share, to be satisfied by the issuance of six (6) ordinary share of RM1.00 each in the Company ("MPB Share") at an issue price of RM2.00 each and one (1) free new warrant in MPB ("Consideration Warrant") for every five (5) Offer Shares accepted; ("Take Over Offer")
- Bonus Issue of up to 24,604,298 Bonus Warrants to the Company's existing shareholders on the basis of one (1) new warrant in the Company ("Bonus Warrant") for every thirty-five (35) MPB Shares held on the entitlement date.

The Take Over Offer was approved by the shareholders of the Company at an EGM on 17 December 2009, the effective date of acquisition, at which the Company had acquired an additional 34.88% (75,774,208 ordinary shares in NSTP) of NSTP shares it did not own at the start of the Take Over Offer, resulting in NSTP becoming a 78.17% owned subsidiary of the Company.

As at 31 December 2009, an additional 7.89% of NSTP Shares (17,124,835 ordinary shares in NSTP) were acquired, bringing the interest in NSTP to 86.06% as at that date.

If the acquisition had occurred on 1 January 2009, Group revenue and net profit would have increased by RM583,360,000 and RM28,020,000 respectively. These amounts are calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been changed assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2009, together with consequential effects.

Details of net assets acquired and the resulting intangibles and negative goodwill are as follows:

	RM'000
Purchase consideration:	
- Fair value of shares	181,623
- Fair value of warrants	10,030
- Direct costs relating to the acquisition*	5,756
Total purchase consideration	197,409
Share of fair value of net assets acquired	(413,524)
Negative goodwill	(216,115)

<sup>\*</sup> Inclusive of Reporting Accountant's fee of RM300,000.

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES cont'd

(i) The New Straits Times Press (Malaysia) Berhad ("NSTP") (cont'd)

The assets and liabilities of NSTP as of the date of acquisition are as follows:

	FAIR VALUE RM'000	ACQUIREE'S Carrying Amount Rm'000
Property, plant and equipment	518,430	650,544
Investment property	44,473	28,064
Prepaid lease rental	21,891	6,257
Investment in associates	206,178	206,178
Other investments	744	744
Non-current asset held for sale	180	180
Inventories	122,825	122,825
Tax recoverable	778	778
Intangible assets Trade and other receivables	166,602 95,245	OE 24E
Cash and bank balances	15,246	95,245 15,246
Trade and other payables	(90,802)	(90,797)
Deferred tax liabilities	(42,763)	(34,447)
Borrowings	(92,172)	(92,172)
25.00		
Net assets acquired	966,855	908,645
Minority interest (13.94%)	(134,780)	
Amount accounted for as an associate as at acquisition date	(318,585)	
Revaluation Reserves	(99,966)	
	413,524	
Negative goodwill on acquisition	(216 115)	
Total purchase consideration	197,409	
Purchase consideration and direct costs relating to the acquisition settled in cash Cash and cash equivalents in subsidiary acquired		5,756 (15,246)
Cash outflow on acquisition		(9,490)

The Take Over Offer was extended to 14 September 2010 resulting in additional acceptance received bringing MPB's share in NSTP to 97.87%. On 14 December 2010, 0.31% of the remaining NSTP shareholders served notices to MPB to acquire the NSTP shares held by them bringing the total shareholding in NSTP to 98.17%, resulting in a total additional negative goodwill of RM55.4 million during the financial year.

The impact of the purchase of further interest in NSTP during the financial year are as follows:

	RM'000
Purchase consideration: - Fair value of shares - Fair value of warrants - Direct cost*	63,331 2,986 27
Total purchase consideration Share of non-controlling interest	66,344 (121,788)
Negative goodwill	(55,444)

<sup>\*</sup> The net balance above includes Reporting Accountant's fee of RM70,000.

(ii) Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter")

On 12 November 2009, the Company entered into share sale agreements with Asia Posters Sdn Bhd, Yew Wai Sung ("YWS") and Koh Swee Han ("KSH") to acquire, in total, potentially 1,000,000 and 57,500 ordinary shares of RM1.00 each in Kurnia and Jupiter representing 100% of the issued and paid-up share capital of Kurnia and Jupiter respectively.

## 38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES cont'd

(ii) Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter") (cont'd)

The purchase of the ordinary shares of YWS and KSH in Kurnia and Jupiter is to be completed in four tranches with the first tranche being completed on 12 November 2009. The remaining three tranches representing 20% of the ownership interest in Kurnia and Jupiter is to be completed subsequent to the financial year end over a period of three years subject to certain conditions to be met.

## Kurnia Outdoor Sdn Bhd

Details of net assets acquired and goodwill are as follows:

	RM'000
Purchase consideration:	
- Cash paid	29,720
- Direct costs relating to the acquisition	367
Total purchase consideration	30.087
Share of fair value of net assets acquired	(15,318)
Goodwill	14,769

The assets and liabilities of Kurnia as of the date of acquisition are as follows:

	FAIR VALUE RM'000	ACQUIREE'S Carrying Amount Rm'000
Property, plant and equipment	15,217	15,221
Intangible assets	20,939	_
Trade and other receivables	9,752	9,885
Tax (payable)/recoverable	(66)	250
Cash and bank balances	2,154	2,154
Trade and other payables	(21,419)	(19,864)
Deferred tax liabilities	(6,423)	(1,529)
Finance lease liabilities	(32)	(32)
Borrowings	(975)	(975)
Net assets acquired	19,147	5,110
Minority interest (20%)	(3,829)	
Goodwill on acquisition	14 769	•
Total purchase consideration	30,087	
Purchase consideration and direct costs relating to the acquisition		
settled in cash		30,087
Cash and cash equivalents in subsidiary acquired		(1,235)*
Cash outflow on acquisition		28,852

<sup>\*</sup> Less overdraft of RM919,000.

## Jupiter Outdoor Network Sdn Bhd

Details of net assets acquired and goodwill are as follows:

	RM'000
Purchase consideration:	
- Cash paid	3,280
- Direct costs relating to the acquisition	21
Total purchase consideration	3.301
Share of fair value of net assets acquired	(2,141)
Goodwill	1,160

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES cont'd

The assets and liabilities of Jupiter as of the date of acquisition are as follows:

		ACQUIREE'S
	FAIR VALUE Rm'000	CARRYING AMOUNT RM'000
Property, plant and equipment	468	468
Intangible assets	2,712	628
Trade and other receivables	622	622
Tax recoverable	42	42
Cash and bank balances	120	120
Trade and other payables	(694)	(817)
Current tax recoverable/ (liabilities)	8	(26)
Deferred tax liabilities	(602)	(82)
Net assets acquired	2,676	955
Minority interest (20%)	(535)	
Goodwill on acquisition	1,160	
Total purchase consideration	3,301	
Purchase consideration and direct costs relating to the acquisition settled in cash		3,301
Cash and cash equivalents in subsidiary acquired		(120)
Cash outflow on acquisition		3,181

As at 31 December 2009, MPB had 80% interest in Kurnia and Jupiter.

The acquired business contributed revenues of RM4,904,369 and net loss of RM2,306,372 to the Group for the period from 12 November 2009 to 31 December 2009. If the acquisition had occurred on 1 January 2009, Group revenue and profit would have increased by RM22,518,914 and RM5,277,175 respectively. These amounts are calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional amortisation that would have been changed assuming the fair value adjustments to intangible assets had applied from 1 January 2009, together with consequential effects.

On 19 April 2010, MPB acquired a further 9% stake, representing the second tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM4.1 million. As at 31 December 2010, MPB holds 89% equity interest in Kurnia and Jupiter.

The impact of the purchase of further interest in Kurnia and Jupiter during the financial year are as follows:

	RM'000
Durch and and identities	
Purchase consideration:	
- Cash paid	4,084
- Direct cost	19
Total purchase consideration	4,103
Share of non-controlling interest	(2,095)
	• • • • • • • • • • • • • • • • • • • •
Goodwill	2,008

#### 38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES cont'd

## (iii) Max-Airplay Sdn Bhd

Media Prima Bhd's wholly-owned subsidiary, Perintis Layar Sdn Bhd, has entered into a share sale agreement with Lambaian Maya Sdn Bhd to acquire the remaining 25% equity interest in Max-Airplay Sdn Bhd for RM2.8 million cash. As at 31 December 2010, MPB holds 100% equity interest in Max-Airplay Sdn Bhd.

The additional interest in Max-Airplay Sdn Bhd did not have significant financial impact to the Group.

## (iv) One FM Radio Sdn Bhd (formerly known as Radio Wanita Sdn Bhd) ("OneFM")

On 29 September 2008, the Company entered into a conditional share sale agreement with Zulkifli Bin Amin Noordin, to acquire 3,200,000 ordinary shares of RM1.00 each in OneFM, representing 80% of the issued and paid-up share capital of OneFM for a cash consideration of RM12.16 million

The acquisition of OneFM was completed on 19 January 2009.

The acquired business contributed revenues of RM6,195,551 and net loss of RM894,412 to the Group for the period from 19 January 2009 to 31 December 2009. If the acquisition had occurred on 1 January 2009, Group revenue and profit would not have been materially different as OneFM was dormant from 1 January 2009 to 18 January 2009. These amounts are calculated using the Group's accounting policies.

Details of the finalised net assets and goodwill acquired are as follows:

	RM'000
Final purchase consideration	8,797
Fair value of net liabilities acquired	2,587
Goodwill	11,384

## (v) MPB Primedia, Inc. ("MPI")

On 19 October 2009, mmStudios Sdn Bhd ("MSSB"), a wholly owned subsidiary, entered into a Sale and Purchase Agreement with MediaQuest Holdings Inc ("MediaQuest") for the divestment of its 70% investments in MPB Primedia, Inc. ("MPI").

The disposal was completed on 3 November 2009.

MPI was previously classified as a subsidiary acquired exclusively for sale. The effect of the disposal on the Group's results is as disclosed in the financial statements.

The net cash flow on disposal is determined as follows:

	DISPOSAL RM'000
Total proceeds from disposal:	
Cash consideration	54,305
Expenses directly attributable to the disposal	(5,668)
Net disposal proceeds	48,637
Cash and cash equivalents of the subsidiary disposed	
Net cash flow on disposal	48,637

# **notes to the financial statements** cont'd for the financial year ended 31 December 2010

## 39 CASH FLOWS GENERATED FROM OPERATIONS

	GRO	UP	COMP	ANY
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Net profit for the financial year from:				
Continuing operations	250,618	251,856	86,361	110,686
Subsidiary acquired exclusively for sale	230,010	(57,056)	00,301	110,000
Substitutity acquired exclusively for Sale	·····	(37,030)		
	250,618	194,800	86,361	110,686
Adjustments for:				
Programmes, film rights and album production cost	100 507	104 207		
- Amortisation	182,527	194,387	_	_
- Write off	400	6,522	_	_
Prepaid expenditure written off	284	284	_	_
Property, plant and equipment	00.005	45.051	1 000	010
- Depreciation	86,825	45,051	1,238	813
- Gain on disposals	(5,322)	(106)	_	_
- Write off	75	906	_	_
(Reversal)/Charges for impairment losses	(1,188)	12,828	_	_
Investment properties				
- Depreciation	2,250	301	_	_
- Gain on disposal	(346)	(165)	-	_
- Impairment losses	1,782	4,081	-	_
Amortisation of acquired rights	10,932	5,207	_	_
Interest expenses	32,597	24,449	29,106	22,666
Fair value gain on financial assets at fair value through profit or loss/reversal of diminution in value of investment	(362)	(294)		
Impairment losses of investment in subsidiary	(302)	(234)	_	119
Net unrealised exchange (gain)/loss	(50)	50	_	115
Share of results of an associate	(6,196)	(16,513)	_	_
ESOS issuance	33,997	(10,515)	1,222	_
Dividend income	(103)	(50)	(151,512)	(182,686)
Interest income	(4,348)	(888)	(2,328)	(363)
Taxation	44,693	23,988	20,319	38,171
Impairment losses of receivable from	44,033	23,300	20,313	30,171
- customers	2,411	12,489		
- subsidiary	2,411	12,403		3,157
Bad debts written off	_	17,769	_	3,137
Amortisation of BGMTN transaction cost	_	1,640	_	1,640
Negative goodwill upon acquisition		(216,115)	_	1,040
Gain on disposal of subsidiary held for sale	(33,444)	(38,238)	_	_
dalii dii dispusai di Suusidialy nelu loi sale	·····	(30,230)		
	576,032	272,383	(15,594)	(5,797)
Changes in working capital:				
Inventories	14,316	(282)		=
Receivables	(28,500)	30,533	1,359	8,302
Payables	(132,111)	(212,109)	(12,821)	10,422
Subsidiaries	(132,111)	(212,103)	10,818	17,087
Associates	- 5,684	2,315	-	-
		_,		
Cash flows generated from operations	435,421	92,840	(16,238)	30,014

#### 40 ASSETS HELD FOR SALE

		GROUP
	2010	2009
	RM'000	RM'000
Assets		
Leasehold buildings (Note a)	180	180
Assets of subsidiaries held for sale (Note b)	16,302	_
	16,482	180
Liabilities		
Liabilities of subsidiaries held for sale (Note b)	23,239	_

- (a) In the previous financial years, NSTP, a subsidiary company, entered into sale and purchase agreements for the proposed disposals of freehold land, leasehold buildings, prepaid leases and a subsidiary. These proposed disposals satisfied the criteria set out in FRS 5 Non-Current Assets Held For Sale and Presentation of Discontinued Operations, and hence had been classified as "non-current assets held for sale". As at 31 December 2010, the proposed disposal is in the process of being transferred to the buyer and is awaiting the process and formalities of the transfer to be completed.
- (b) On 6 January 2011, a wholly-owned subsidiary, Gama Media International (BVI) Ltd ("GMI") had entered into a Sale and Purchase Agreement to divest its 90% equity interest in TV3 Network Limited, a company incorporated in Ghana, to Media General Ghana Ltd, an investment holding company incorporated in Ghana, for a total cash consideration of approximately RM8.63 million. As at 31 December 2010, the criteria of non-current assets held for sale has been met.

On 14 January 2011, the Company also announced its intention to dispose its 70% owned subsidiary in Ghana, Gama Film Company Limited. As at 31 December 2010, the criteria of non-current assets held for sale has been met.

Consequently, under FRS 5 "Non-current assets held for sale and discontinued operations" ("FRS 5"), the subsidiaries have been reclassified as assets held for sale.

The financial impact of the reclassification under FRS 5 is as follows:

		2010
		RM'000
(i)	Profit and loss of subsidiaries reclassified as held for sale during the financial year	
	- Revenue	21,704
	- Other income	938
	- Impairment loss due to re-measurement of the net assets to fair value less cost of sale	(4,739)
	- Operating expenses	(19,573)
• • • • •		• • • • • • • • • • • • • • • • • • • •
	Loss before taxation	(1,670)
	- Taxation	78
••••		• • • • • • • • • • • • • • • • • • • •
	Loss after taxation	(1,592)
(ii)	Cash flows of subsidiaries reclassified as held for sale during the financial year	
	- Cash flow arising from operating activities	1,881
	- Cash flow used in investing activities	(909)
	- Cash flow used in financing activities	(107)

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 40 ASSETS HELD FOR SALE cont'd

	2010 RM'000
<ul> <li>(iii) Assets of subsidiaries reclassified as held for sale during the financial year</li> <li>Property, plant and equipment</li> <li>Intangibles</li> <li>Receivables</li> <li>Cash</li> </ul>	7,287 398 7,523 578
- Other assets	516
(iv) Liabilities of subsidiaries reclassified as held for sale during the financial year	16,30
- Payables and accruals	23,239

## 41 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year are as follows:

	GR	OUP
	2010	2009
	RM'000	RM'000
Property, plant and equipment obtained through:		
- contra arrangements with customers	190	133
- hire-purchase/borrowing arrangements	1,743	3,838
Acquisition of additional interest in NSTP via issuance of ordinary shares and warrants of the Company (Note 38 (i))	66,317	191,653

## 42 RELATED PARTY TRANSACTIONS

## (a) Key management compensation

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

Key management personnel of the Company are the Executive Directors and the senior management of the Company.

Key management compensation is as follows:

	GR	OUP	COMPANY	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Key management:				
- Fees	863	471	435	281
- Basic salaries and bonus	5,872	6,237	2,028	2,160
- Allowance	1,308	1,250	474	546
- Defined contribution retirement plan	1,043	1,115	431	484
- Share based compensation	1,496	_	677	_
•••••				
	10,582	9,073	4,045	3,471
Estimated monetary value of benefits-in-kind	272	371	73	152

Included in the key management compensation is Directors' remuneration as disclosed in Note 7 to the financial statements.

## 42 RELATED PARTY TRANSACTIONS cont'd

## (a) Key management compensation (cont'd)

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

			NU	MBER OF OPTIONS OV	ER ORDINARY SHARES	OF RM1.00 EACH	
		EXERCISE PRICE	AT 1 JANUARY				AT 31 DECEMBER
GRANT DATE	EXPIRY DATE	RM/ SHARE	2010	GRANTED	EXERCISED	LAPSED	2010
			'000	'000	'000	'000	'000
Financial year ended							
31 December 201	0						
31 May 2010	13 May 2015	1.80	_	3,947	(100)	_	3,847
11 January 2005	10 January 2010	1.55	820	_	(420)	(400)	_
14 December 2005	10 January 2010	1.46	400	–	(400)		
			1,220	3,947	(920)	(400)	3,847
				NUMBER OF O	PTIONS OVER ORDINA	RY SHARES OF RM	1.00 EACH
			_	EXERCISE PRICE	AT 1 JANUARY		AT 31 DECEMBER
GRANT DATE			EXPIRY DATE	RM/ SHARE	2009	EXERCISED	2009
					'000	'000	'000
Financial year ended							
31 December 200	9						
11 January 2005		1	0 January 2010	1.55	820	_	820
14 December 2005			0 January 2010	1.46	450	(50)	400
					1,270	(50)	1,220

## (b) Transactions between Group entities

NAME OF COMPANY	RELATIONSHIP
T. N. O. I. T. D. W. I. I. D. I. I. W. I. T. I. I. W. I. T. I. I. I. W. I. T. I. I. I. W. I. T. I.	
The New Straits Times Press (Malaysia) Berhad ("NSTP")	A subsidiary of the Company
Sistem Televisyen Malaysia Berhad	A subsidiary of the Company
Metropolitan TV Sdn Bhd	A subsidiary of the Company
Natseven TV Sdn Bhd	A subsidiary of the Company
Ch-9 Media Sdn Bhd	A subsidiary of the Company
Big Tree Outdoor Sdn Bhd	A subsidiary of the Company
UPD Sdn Bhd	A subsidiary of the Company
Synchrosound Studio Sdn Bhd	A subsidiary of the Company
Merit Idea Sdn Bhd	A subsidiary of the Company
Malaysian Newsprint Industries Sdn Bhd ("MNI")	An associate of the Group

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party transactions which were carried out on terms and conditions attainable in transactions with unrelated parties.

## Purchases of goods and services

	GRO	IUP
	2010	2009
	RM'000	RM'000
Purchase of newsprints from:		
- MNI	101,534	126,191

## **notes to the financial statements** cont'd for the financial year ended 31 December 2010

## **RELATED PARTY TRANSACTIONS** cont'd

(b) Transactions between Group entities (cont'd)

## Sales and purchase of goods and services:

	s and paronase of goods and sorvices.	COM	PANY
		2010	2009
		RM'000	RM'000
(i)	Fees receivable in relation to provision of procurement services to:		
	- Sistem Televisyen Malaysia Berhad	3,553	4,348
	- Metropolitan TV Sdn Bhd	2,463	2,840
	- Natseven TV Sdn Bhd	1,066	2,497
	- Ch-9 Media Sdn Bhd	673	1,436
(ii)	Dividends received/receivable net of tax from:		
	- Sistem Televisyen Malaysia Berhad	40,000	79,982
	- Big Tree Outdoor Sdn Bhd	12,700	13,739
	- NSTP	50,484	45,372
	- UPD Sdn Bhd	2,300	1,261
	- Synchrosound Studio Sdn Bhd	9,000	9,000
	- Merit Idea Sdn Bhd	6,100	_
(iii)	Purchase of advertisements slots from NSTP	56	209
(iv)	ESOS charged to subsidiaries as listed in Note 27	32,775	_

The Group entities have an arrangement whereby all sales and placement of advertisements between the Group entities are made in slots/space usually reserved for in-house advertisements and promotions. The fair values of these sales and placement of advertisements are not material in relation to the financial statements.

## (c) Significant related party balances

Amount due from/(to) subsidiaries

	COMPANY	
	2010 RM'000	2009 RM'000
N. I. O. D. I.	104.740	
Natseven Sdn Bhd	164,746	180,073
Sistem Televisyen Malaysia Berhad	103,611	158,937
mmStudio Sdn Bhd	86,430	86,721
NSTP	58,800	_
Alt Media Sdn Bhd	28,305	17,208
Ch-9 Media Sdn Bhd	22,102	31,039
Perintis Layar Sdn Bhd	16,789	11,256
Kurnia Outdoor Sdn Bhd	7,517	10,972
Merit Idea Sdn Bhd	5,527	5,522
Big Tree Outdoor Sdn Bhd	(3,420)	9,010

Amount due to an associate

	GRO	IUP
	2010	2009
	RM'000	RM'000
Malaysian Newsprint Industries Sdn Bhd ("MNI")	11,437	5,753

#### 43 COMMITMENTS

## (a) Capital commitments

	GRO	OUP
	2010	2009
	RM'000	RM'000
Capital commitments, approved but not contracted for		
- Property, plant and equipment	105,234	90,590
- Programmes and film rights	243,354	303,480
Capital commitments, approved but contracted for		
- Property, plant and equipment	28,371	_
	376,959	394,070
Share of an associate's capital commitments	520	1,033

## (b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	GR	OUP
	2010	2009
	RM'000	RM'000
- Not later than 1 year	12,480	12,050
- Later than 1 year and not later than 5 years	47,800	47,798
- Later than 5 years	123,403	134,050
	183,683	193,898

The operating lease commitments relate to the rental of the Company's registered office and principal place of business and offices leased by subsidiary companies.

## 44 CONTINGENT LIABILITIES

## (a) Material litigation

- (i) A claim of RM100 million (2009: RM100 million) for defamation action was brought against STMB for visual images and words mentioned during its news programme broadcasted in 1998. The High Court on 28 June 2007 dismissed the Plaintiff's claim. The Plaintiff appealed. The Court on 26 August 2010 dismissed the Plaintiff's appeal. With the Court's dismissal, this legal action no longer subsists against STMB.
- (ii) Three claims totalling RM270 million (2009: RM270 million) for defamation action was brought against STMB for visual images and words mentioned made during its news programme broadcasted in 2006 and 2007. The Directors are of the opinion, based on legal advice, that the claims have no merit and are unlikely to succeed.
- (iii) A claim of RM100 million (2009: RM100 million) for defamation action was brought against ntv7, for visual images and words mentioned during its programme broadcasted in 2004. On 12 March 2009, the Court was informed that the Plaintiff has passed away. As a result, this legal action no longer subsists against ntv7.
- (iv) A claim of RM1 million (2009: RM1 million) for defamation action was brought against STMB for words mentioned during its news programme broadcasted in 2008. The Court on 04 April 2010 struck out the Plaintiff's claim. With the Court's dismissal, this legal action no longer subsists against STMB.

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 44 CONTINGENT LIABILITIES cont'd

- (v) A claim of RM10 million (2009: RM10 million) for defamation action was brought against STMB for words mentioned during its entertainment programme broadcasted in 2008. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (vi) A claim of RM5 million (2009: RM5 million) for defamation brought against STMB for words mentioned during its documentary programme broadcasted in 2007. The Court on 12 May 2010 struck out the Plaintiff's claim. With the Court's dismissal, this legal action no longer subsists against STMB.
- (vii) A new claim of RM10 million for defamation action was brought against STMB for visual images and words mentioned during its news programme broadcasted in 2007. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (viii) Two new claims totalling RM150 million for defamation action was brought against STMB for visual images and words mentioned during its news programme broadcasted in 2010. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (xi) A new claim of RM7 million for defamation action was brought against STMB for words mentioned during its talk show programme broadcasted in 2010. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (x) A new claim of RM10.666 million for infringement of copyright action was brought against STMB and NSTP for a television programme broadcasted in 2010. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed
- (xi) A new claim of RM10 million for defamation action was brought against ntv7 for visual images and words mentioned during its news programme broadcasted in 2003. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (b) The Group is a defendant in various other legal actions with contingent liabilities amounting to approximately RM6 million (2009: RM9.8 million). The Directors are of the opinion, after taking appropriate legal advice, that the outcome of such actions will not give rise to any significant loss.
- (c) In June 2008, Inland Revenue Board issued Notices of Assessment (NA) under Section 90(3) of the Act for Year of Assessments (YA) 2004 to 2006 in respect of a subsidiary, Synchrosound Studio Sdn Bhd, the total tax liability for these YAs amounting to RM13.3 million in total. The Directors are of the opinion that the amounts raised in the NA are excessive following detailed submission sent. No provision is made in respect of this amount.
- (d) NSTP, a subsidiary, is involved in several outstanding suits involving claims for which the outcome and compensation, if any, are not currently determinable. As at 31 December 2010, there are total of 79 (2009: 105) suits against NSTP of which 75 (2009: 101) suits are based on defamation with the remaining 3 (2009: 4) suits being employment claims and 1 (2009: 0) suit being intellectual property claim.

NSTP is mainly in the business of reporting news and events. As the purveyor of news and information, a publishing company faces the threat of legal suits on a daily and an ongoing basis. The law does not restrict anyone from filing a suit against another regardless of motive or objective. Even practising the highest standard of reporting and journalism will not avoid the risk of legal suits for the simple reason that people will sue if they perceive that they have been wronged. Hence, having regard to the array of legal defences available to a media company, simply having a legal suit filed against it does not necessarily nor automatically translate into a liability for the Group, whether contingent or otherwise.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at 31 December 2010 as the Directors are of the opinion that most of the claims have no sustainable merit.

In so far as claims that may merit a judgement, the Group has taken proactive steps in having in place insurance coverage against damages awarded against it. The Directors do not therefore expect the outcome of these claims to have a material impact on the financial position of the Group.

#### 45 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

## (a) Market risks

- (i) foreign currency exchange risk risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- (ii) fair value interest rate risk risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- (iii) cash flow interest rate risk risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value
- (iv) price risk risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market
- (b) credit risk risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss
- (c) liquidity risk (funding risk) risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

## (a) Market risks

## (i) Foreign exchange risk

The Group operates nationally but some of its cost is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. The main costs with such exposure are programme rights and newsprint.

The Group monitors the foreign currency market closely to ensure optimal levels of inventories are purchased when prices are favourable to mitigate purchase requirement when prices are unfavourable.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is not significant to the Group's financial position.

If the Ringgit Malaysia had weakened or strengthened by 10% and 20% against the foreign currencies for which the financial instruments are denominated in, with all other variables remain unchanged, post tax profit for the year would have been higher or lower by the following amounts:

## notes to the financial statements contd

for the financial year ended 31 December 2010

#### 45 FINANCIAL RISK MANAGEMENT cont'd

## (a) Market risks (cont'd)

### (i) Foreign exchange risk (cont'd)

FOREIGN CURRENCY DENOMINATED FINANCIAL INSTRUMENTS		IMPACT OF CHANGES IN EXCHANGE RATE TO PROFIT AND LOSS (NET OF TAX)					
	TRADE	TRADE	CURRENCY				
	RECEIVABLES AS AT	PAYABLES AS AT	TRANSLATION				
FOREIGN	31 DECEMBER	31 DECEMBER	RATE AS AT				
CURRENCY	2010 (NOTE 33)	2010 (NOTE 23)	31 DECEMBER 2010	-20%	-10%	10%	20%
	RM'000	RM'000	RM	RM'000	RM'000	RM'000	RM'000
1USD	324	(1,713)	3.0789	(208)	(104)	104	208
1SGD	1,406	-	2.3843	211	105	(105)	(211)
Others	12	(152)	*	*	*	*	*
•••••	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	•••••			· · · · · · · · · · · · · · · · · ·
	1,742	(1,865)		3	1	(1)	(3)

<sup>\*</sup> No sensitivity analysis is done due to its insignificant impact to the Group.

	FOREIGN CURRENCY Financial inst		IMPACT OF CHANGES IN EXCHANGE RATE TO PROFIT AND LOSS (NET OF TAX)				
FOREIGN CURRENCY	TRADE RECEIVABLES AS AT 31 DECEMBER 2009 (NOTE 33) RM'000	TRADE PAYABLES AS AT 31 DECEMBER 2009 (NOTE 23) RM'000	CURRENCY TRANSLATION RATE AS AT 31 DECEMBER 2009 RM	-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	96,960	(6,754)	3.4234	13,531	6,765	(6,765)	(13,531)
1SGD	662	_	2.4358	99	50	(50)	(99)
10,000 Ced	li 10,611	(920)	2.3581	1,454	727	(727)	(1,454)
Others	42	(69)	*	*	*	*	*
	108,275	(7,743)		15,084	7,542	(7,542)	(15,084)

<sup>\*</sup> No sensitivity analysis is done due to its insignificant impact to the Group.

## (ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group classified on the consolidated statement of financial position as available-for-sale and fair value through profit and loss. The Group is not exposed to commodity price risk. No financial instruments or derivatives have been employed to hedge this risk as the risk is deemed to be insignificant.

### (iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings and debt instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain appropriate level of borrowings in fixed rate instruments to ensure that some level of predictability in cash flows are preserved while ensuring that the Group maintains its cost of debt and gearing ratio at healthy levels within the limits of any covenants. During 2010 and 2009, the Group's borrowings at fixed rate were denominated in RM.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

## 45 FINANCIAL RISK MANAGEMENT

## (a) Market risks (cont'd)

## (iii) Cash flow and fair value interest rate risk (cont'd)

Based on frequent simulations performed, for which management assesses its interest rates risk exposure to be within tolerable limits, the impact on post tax profit of interest rates shift would be as disclosed below:

		IMPACT OF	CHANGES TO INTEREST	RATES TO PROFIT AND	LOSS (NET OF TAX)	
	FINANCE COST	INTEREST RATES				
I	FOR THE FINANCIAL	FOR THE FINANCIAL				
	YEAR ENDED	YEAR ENDED				
•	31 DECEMBER 2010 (NOTE 4)	31 DECEMBER 2010	-0.50%	-0.25%	0.25%	0.50%
	RM'000	%	RM'000	RM'000	RM'000	RM'000
Revolving credit	(1,852)	2.80	248	124	(124)	(248)
BGMTN	(8,964)	4.22	796	398	(398)	(796)
CP	(46)	4.46	4	2	(2)	(4)
RFRB	(6,861)	6.50	396	198	(198)	(396)
Term loans and bridging loans	(11,806)	4.82	918	459	(459)	(918)
Bank guarantee	(1,429)	2.46	218	109	(109)	(218)
Hire purchase	(1,478)	3.98	139	70	(70)	(139)
Overdrafts	(161)	17.40	3	2	(2)	(3)
						•
	(32,597)		2,722	1,362	(1,362)	(2,722)

		IMPACT OF	CHANGES TO INTERES	T RATES TO PROFIT ANI	LOSS (NET OF TAX)	
	FINANCE COST	INTEREST RATES				
F	OR THE FINANCIAL	FOR THE FINANCIAL				
	YEAR ENDED	YEAR ENDED				
3	DECEMBER 2009	31 DECEMBER	0.500/	0.050/	0.050/	0.500/
	(NOTE 4) RM'000	<b>2009</b> %	-0.50% RM'000	-0.25% RM'000	0.25% RM'000	0.50% RM'000
BGMTN	(8,259)	4.22	734	367	(367)	(734)
CP	(4,899)	4.46	412	206	(206)	(412)
Term loans and bridging loans	(8,011)	4.83	622	311	(311)	(622)
Bank guarantee	(1,570)	2.46	239	120	(120)	(239)
Hire purchase	(1,456)	3.99	137	68	(68)	(137)
Overdrafts	(254)	17.40	5	3	(3)	(5)
	(24,449)		2,149	1,075	(1,075)	(2,148)

## (b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

The Group trades with a large number of customers who are nationally and internationally dispersed but within the commercial television, radio broadcasting, outdoor advertising, content production/provision and publishing/print industry. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

#### 45 FINANCIAL RISK MANAGEMENT

## (b) Credit risk (cont'd)

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Customer's credit quality is assessed, taking into account its financial position, past experience and other factors if no external credit ratings available for the customers. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

Management does not expect any losses from non-performance by these counterparties.

#### (c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements — for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. The Group Treasury also considers the impact of discharging borrowings within the Group by relocating cash between subsidiaries whereby new borrowing are entered into whilst available cash is used to settle existing loans in a manner that reduces the Group's finance cost.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statements of financial position date to the contractual maturity date. As the amounts included in the table are contractual undiscounted cash flows, these amount will not reconcile to the amounts disclosed on the statement of financial position for borrowings debt instruments and trade and other payables.

		BETWEEN			
	LESS THAN	3 MONTHS	BETWEEN	BETWEEN	
	3 MONTHS	AND 1 YEAR	1 – 2 YEARS	2 – 5 YEARS	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2010					
Group					
Trade and other payables	310,975	_	409	_	311,384
Term loans	2,741	21,986	200,069	7,149	231,945
RFRB	3,713	3,713	7,425	168,563	183,414
BGMTN	3,588	73,588	104,269	_	181,445
Hire purchase	2,420	6,329	6,267	8,975	23,991
	323,437	105,616	318,439	184,687	932,179

#### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position.

During 2010, the Group's strategy, which was unchanged from 2009, was to maintain the gearing ratio within the limits allowed by covenants and a AAA (bg) credit rating.

## 45 FINANCIAL RISK MANAGEMENT cont'd

## Capital risk management (cont'd)

The AAA (bg) credit rating has been maintained throughout 2009 and 2010. The gearing ratios at 31 December 2010 and 2009 were as follows:

	2010 RM'000	2009 RM'000
Debt instruments (Note 17) Interest bearing bank borrowings (Note 19) Hire purchase (Note 22)	314,265 215,000 21,095	195,630 381,479 18,030
Total debt	550,360	595,139
Total equity	1,250,193	1,099,241
Gearing ratio	0.44	0.54

The decrease in the gearing ratio during 2010 was primarily the result of share capital issuance arising from the consideration paid for the acquisition of further interest in a subsidiary (Notes 38 (i)) as well as shares from the exercise of ESOS and warrants (Note 12 and Note 18 respectively).

## 46 CHANGES IN ACCOUNTING POLICIES

During the financial year, the Group changed the following accounting policies upon adoption of new accounting standards, amendments and improvements to published standards and interpretations:

- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 117 "Leases"
- FRS 139 "Financial Instruments: Recognition and Measurement"
- FRS 7 "Financial Instruments Disclosures"

The following notes disclose the impact of such changes on the financial statements of the Group and Company.

## (i) Impact on the Group's statement of financial position

	BALANCES A	BALANCES AS AT 31 DECEMBER 2008		
	AS Previously		AS	
	REPORTED RM'000	FRS 117 RM'000	RESTATED RM'000	
Property, plant and equipment	212,553	6,332	218,885	
Investment properties	13,682	2,830	16,512	
Prepaid lease payments	9,162	(9,162)	_	

## **notes to the financial statements** cont'd for the financial year ended 31 December 2010

## **CHANGES IN ACCOUNTING POLICIES cont'd**

(i) Impact on the Group's statement of financial position (cont'd)

	BALANCES AS AT 31 DECEMBER 2009		BALANCES AS AT 1 JAN	ANCES AS AT 1 JANUARY 2010	
	AS Previously Reported	FRS 117	AS Restated	FRS 139	AS Adjusted
	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	748,025	19,580	767,605	_	767,605
Prepaid lease payments	29,928	(29,928)	_	_	_
Investment properties	53,481	10,348	63,829	_	63,829
Available-for-sale financial assets/investments	3,636	_	3,636	(2,635)	1,001
Financial assets at fair value through profit or loss	_	_	_	2,891	2,891
Bank Guaranteed Medium Term Notes	(165,630)	_	(165,630)	454	(165,176)
Accumulated losses	410,042	_	410,042	(454)	409,588
Available-for-sale reserve	_	_	_	(251)	(251)
Non-controlling interests	(141,134)	_	(141,134)	(5)	(141,139)

The impact of the changes of accounting policies to the statement of financial position of the Group as at 31 December 2010 other than the carried forward impact on opening balances and comparatives are as follows:

	FRS 139 RM'000
Available-for-sale financial assets	119
Financial assets at fair value through profit or loss	362
Accumulated losses	(362)
Available-for-sale reserve	(117)
Non-controlling interests	(2)

(ii) Impact on the Group's profit or loss/statement of comprehensive income

	FOR THE FINANCIAL	FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009		
	AS PREVIOUSLY Reported RM'000	FRS101 RM'000	AS RESTATED RM'000	
Profit for the financial year	194,800	_	194,800	
Exchange differences on translation of foreign operations	_	(39)	(39)	
Adjustment to losses from subsidiary held exclusively for sales,				
allocated to non controlling interest		13,577	13,577	
	194,800	13,538	208,338	

The impact of the changes of accounting policies to the Group's statement of comprehensive income for the financial year ended 31 December 2010 is as follows:

	FRS 101 INCREASE RM'000
Available-for-sale financial assets	119
Exchange difference on translation of foreign operations	2,370

#### 46 CHANGES IN ACCOUNTING POLICIES cont'd

(iii) Impact on the Company's statement of financial position

	BALANCES AS AT 1 JANUARY 2010		
	AS PREVIOUSLY		
	REPORTED FRS 139	AS ADJUSTED	
	RM'000	RM'000	RM'000
Borrowings	(165,630)	454	(165,176)
Retained earnings	(89,344)	(454)	(89,798)

There are no material financial impact to the Company's statement of financial position as at 31 December 2008 and 31 December 2009 arising from the changes in accounting policies.

The impact of the changes of accounting policies to the statement of financial position as at 31 December 2010 other than the carried forward impact on opening balances and comparatives is not material.

(iv) Impact on the Company's statement of comprehensive income

There is no material impact to the Company's statement of comprehensive income for the financial year ended 31 December 2009.

FRS 7 "Financial instruments: Disclosures" provides information to users of financial statements about an entity's exposure to risks and how the entity manages those risks. The improvement FRS 7 clarifies that entities must not present total interest income and expense as a net amount within finance costs on the face of the profit or loss. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

FRS 101 'Presentation of financial statements' prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also conforms to the revised standard. As the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

## 47 SIGNIFICANT SUBSEQUENT EVENTS

Events subsequent to 31 December 2010 which require adjustment or disclosure have been disclosed in Note 40 to the financial statements.

## notes to the financial statements cont'd

for the financial year ended 31 December 2010

## 48 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits / (accumulated losses) at the legal entity level is 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 whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	2010 RM'000
Retained profit of MPB (Realised)	82,466
Total accumulated losses of subsidiaries - Realised - Unrealised	(173,945) (29,635)
	(203,580)
Total share of (accumulated losses)/retained profits from associated companies: - Realised - Unrealised	(12,921) 2,600
	(10,321)
Total Group accumulated losses (before consolidated adjustment)	(131,435)
Less: Consolidation adjustments	(128,628)
Total Group's accumulated losses as per consolidated accounts	(260,063)

The disclosure of realised and unrealised profits /(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

## statement by directors

pursuant to section 169 (15) of the companies act, 1965

We, Datuk Johan Jaaffar and Dato' Amrin Awaluddin, two of the Directors of **Media Prima Berhad**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 115 to 206 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 8 March 2011.

**DATUK JOHAN JAAFFAR** CHAIRMAN **DATO' AMRIN AWALUDDIN**GROUP MANAGING DIRECTOR

## statutory declaration

pursuant to section 169 (16) of the companies act, 1965

I, Mohamad Ariff bin Ibrahim, the Officer primarily responsible for the financial management of **Media Prima Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 115 to 206 are, in my opinion, 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.

## MOHAMAD ARIFF BIN IBRAHIM

**GROUP CHIEF FINANCIAL OFFICER** 

Subscribed and solemnly declared by the above named Mohamad Ariff bin Ibrahim, at Petaling Jaya, Malaysia on 8 March 2011, before me.

COMMISSIONER FOR OATHS

## independent auditors' report

to the members of Media Prima Berhad

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of **Media Prima Berhad** on pages 115 to 123 which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, changes in equity and 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 notes, as set out on pages 124 to 205.

## **Directors' Responsibility for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **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 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 judgment, 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the financial year then ended.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 27 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 48 on page 206 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.

## **PRICEWATERHOUSECOOPERS**

(No. AF: 1146) Chartered Accountants

Kuala Lumpur 8 March 2011 THAYAPARAN A/L S. SANGARAPILLAI

(No. 2085/09/12 (J)) Chartered Accountant

## analysis of shareholdings as at 28 February 2011

**Aurthorised Capital** RM2,000,000,000 Issued and Paid Capital RM1,035,809,829

Class of Shares Ordinary Share of RM1.00 each

No. of Shareholders 29,597

## DISTRIBUTION OF SHAREHOLDINGS

as at 28 February 2011

	NO. OF	% <b>OF</b>	NO. OF	% OF ISSUED
SIZE OF SHAREHOLDINGS	SHAREHOLDERS	SHAREHOLDERS	SHARES	SHARE CAPITAL
Less than 100	4,975	16.81	207,101	0.02
100 - 1,000	12,014	40.59	5,983,449	0.58
1,001 - 10,000	9,801	33.11	31,770,241	3.07
10,001 - 100,000	2,473	8.36	53,297,192	5.14
100,001 to less than 5% of issued shares	331	1.12	527,970,887	50.97
5% and above of issued shares	3	0.01	416,580,959	40.22
	00 507	400	1 005 000 000	400.00
Total	29,597	100	1,035,809,829	100.00

## DIRECTORS' SHAREHOLDINGS

		NO. OF	
Ζ.	NAMES	SHARES	%
	1 Datuk Johan Bin Jaaffar	-	_
	2 Dato' Amrin Bin Awaluddin	71,833	0.01
	3 Dato' Sri Ahmad Farid Bin Ridzuan	505,000	0.05
	4 Datuk Ahmad Bin Abd Talib	-	_
	5 Shahril Ridza Bin Ridzuan	-	_
	6 Tan Sri Lee Lam Thye	-	_
	7 Tan Sri Mohamed Jawhar	-	_
	8 Dato' Abdul Kadir Bin Mohd Deen	-	_
	9 Dato' Gumuri Bin Hussain	_	_
	10 Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor		
	Total	576.833	0.06

## **SUBSTANTIAL SHAREHOLDERS** as at 28 February 2011

as a	t 28 February 2011		
	NAMES	NO. OF Shares	%
l	Employees Provident Fund Board	205,265,018	19.82
	Alliancegroup Nominees (Tempatan) Sdn Bhd (Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd)	123,024,270	11.88
	Amanah Raya Berhad	*123,024,270	*11.88
	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Altima, Inc)	88,291,671	8.52
	Total	416,580,959	40.22
De	eemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd		
	RTY (30) LARGEST SHAREHOLDERS at 28 February 2011		
	NAMES	NO. OF Shares	%
	Employees Provident Fund Board	205,265,018	19.82
	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	123,024,270	11.88
	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	88,291,671	8.52
	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustees Berhad for Public Regular Saving Fund (N14011940100)	37,826,720	3.65
	Kumpulan Wang Persaraan (Diperbadankan)	27,302,580	2.64
	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (U.K.)	24,909,433	2.40
	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	20,087,260	1.94
	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	19,456,403	1.88
	Valuecap Sdn Bhd	17,711,900	1.71
)	Malaysia Nominees (Tempatan) Sendirian Berhad Great Estern Life Assurance (Malaysia) Berhad (PAR 1)	16,176,580	1.56
	Amanahraya Trustees Berhad Public Sector Select Fund	13,550,600	1.31
2	Amanahraya Trustees Berhad Public Smallcap Fund	12,974,780	1.25
3	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Hongkong and Shanghai Banking Corporation Limited (HBFS-B CLT 500)	12,118,320	1.17

# analysis of shareholdings cont'd as at 28 February 2011

## THIRTY (30) LARGEST SHAREHOLDERS cont'd

		NO. 05	
_	NAMES	NO. OF Shares	%
14	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 21B6 For The Oakmark International Small Cap Fund	11,518,600	1.11
15	Amanahraya Trustees Berhad Public Growth Fund	11,065,600	1.07
16	Pertubuhan Keselamatan Sosial	11,022,400	1.06
17	Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank For Comgest Growth Gem Promising Companies (Comgest GR PLC)	10,600,000	1.02
18	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Brooklawn House	10,542,857	1.02
19	Amanahraya Trustees Berhad Public Equity Fund	9,707,700	0.94
20	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	8,340,940	0.81
21	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	8,102,200	0.78
22	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA For Fidelity Funds Malaysia	7,547,100	0.73
23	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank of New York Mellon (Mellon Acct)	7,422,200	0.72
24	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	7,421,860	0.72
25	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Aggressive Growth Fund (N14011940110)	7,263,500	0.70
26	HSBC Nominees (Asing) Sdn Bhd Exempt For JPMorgan Chase bank, National Association (Norges BK Lend)	6,345,000	0.61
27	Amanahraya Trustees Berhad Public Index Fund	6,343,100	0.61
28	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund NP9Q For Ontario Teachers' Pension Plan Board	5,481,500	0.53
29	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Management Sdn Bhd For Telekom Malaysia Berhad ©	5,222,214	0.50
30	Amanahraya Trustees Berhad Public Saving Fund	4,418,800	0.43
	Total	757,061,106	73.09

## analysis of warrant holdings as at 28 February 2011

Number of Outstanding Warrants 97,823,571 **Exercise Price of Warrant** RM1.80

**Exercise Period of Warrants** 31 December 2009 to 31 December 2014

Voting Rights at Meetings of Warrant Holders One (1) vote per Warrant

## DISTRIBUTION OF HOLDINGS

as at 28 February 2011

	NO. OF	% <b>OF</b>	NO. OF	% <b>OF</b>
SIZE OF WARRANT HOLDINGS	WARRANT HOLDERS	WARRANT HOLDERS	WARRANTS	WARRANTS HOLDINGS
Less than 100	21,186	79.82	497,580	0.51
100 - 1,000	4,185	15.77	1,340,315	1.37
1,001 - 10,000	858	3.23	2,924,769	2.99
10,001 - 100,000	243	0.92	8,548,186	8.74
100,001 to less than 5% of issued warrants	67	0.25	31,903,194	32.61
5% and above of issued warrants	2	0.01	52,609,527	53.78
Total	26,541	100	97,823,571	100.00

## DIRECTORS' OF WARRANT HOLDINGS

		NO. OF	
	NAMES	WARRANT	%_
\			
1	Datuk Johan Bin Jaaffar	_	_
2	Dato' Amrin Bin Awaluddin	5,400	0.01
3	Dato' Sri Ahmad Farid Bin Ridzuan	5,428	0.01
4	Datuk Ahmad Bin Abd Talib	-	_
5	Shahril Ridza Bin Ridzuan	_	_
6	Tan Sri Lee Lam Thye	-	_
7	Tan Sri Mohamed Jawhar	-	_
8	Dato' Abdul Kadir Bin Mohd Deen	_	_
9	Dato' Gumuri Bin Hussain	-	_
10	Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor		
_	Total	10,828	0.02

# analysis of warrant holdings cont'd as at 28 February 2011

## SUBSTANTIAL WARRANT HOLDERS

as at 28 February 2011

_	NAMES	NO. OF Warrants	<u>%</u>
1	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Altima, Inc)	27,509,927	28.12
2	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Lagmuir Holdings Ltd)	25,099,600	25.66
	Total	52,609,527	53.78

## THIRTY (30) LARGEST WARRANT HOLDERS

_	NAME OF WARRANT HOLDERS	NO. OF Warrants	<u>%</u> _
1	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	27,509,927	28.12
2	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Lagmuir Holdings Ltd	25,099,600	25.66
3	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	3,515,144	3.59
4	Tan Lee Hwa	2,125,000	2.17
5	ECML Nominees (Tempatan) Sdn Bhd Account for Gan Eng Liong	2,041,500	2.09
6	ECML Nominees (Tempatan) Sdn Bhd Account for Chye Ao Hsiang	1,936,200	1.98
7	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for The Gilpin Fund Ltd	1,654,900	1.69
8	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	1,232,377	1.26
9	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 21B6 For The Oakmark International Small Cap Fund	1,058,457	1.08
10	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	844,205	0.86

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## THIRTY (30) LARGEST WARRANT HOLDERS cont'd

as at 28 February 2011

_	NAME OF WARRANT HOLDERS	NO. OF Warrants	%_
11	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Opportunity Fund (3969)	821,580	0.84
12	Toh Yew Keong	786,967	0.80
13	Alliancegroup Nominees (Tempatan) Sdn Bhd Account for Lee Cheng Chuan (8057815)	767,900	0.78
14	Amanahraya Trustees Berhad Public Smallcap Fund	761,940	0.78
15	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	740,140	0.76
16	Au Yong Mun Yue	730,000	0.75
17	Lee Kay Huat	630,000	0.64
18	Dushyanthi Perera	600,000	0.61
19	HSBC Nominees (Asing) Sdn Bhd Exempt For JPMorgan Chase bank, National Association (U.K.)	594,103	0.61
20	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	583,900	0.60
21	AIBB Nominees (Tempatan) Sdn Bhd Account for Chua Ma Yu	550,000	0.56
22	Malaysia Nominees (Tempatan) Sendirian Berhad Great Estern Life Assurance (Malaysia) Berhad (PAR 1)	509,337	0.52
23	Amanahraya Trustees Berhad For PB China Asean Equity Fund	508,600	0.52
24	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Income Fund (4850)	507,660	0.52
25	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M For Bill and Melinda Gates Foundation Trust	404,342	0.41

# analysis of warrant holdings cont'd as at 28 February 2011

## THIRTY (30) LARGEST WARRANT HOLDERS cont'd

as at 28 February 2011

	NAME OF WARRANT HOLDERS	NO. OF Warrants	<u>%</u>
26	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	398,420	0.41
27	HSBC Nominees (Asing) Sdn Bhd Exempt An for The Hongkong And Shanghai Banking Corporation Limited (HBFS-B CLT 500)	394,037	0.40
28	Public Nominees (Tempatan) Sdn Bhd Account for Toh Dee Kong (E-JCL)	380,000	0.39
29	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Tan Kok Pin @ Kok Khong (PB)	297,000	0.30
30	Sukhwinder Singh A/L Harbans Singh	290,200	0.30
	Total	78,273,436	80.01

# list of properties as at 31 December 2010

LOCATION	ТҮРЕ	TENURE	DATE OF ACQUISITION	AREA	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK Value (RM)
Lot 2494 Mukim Peringat Daerah Peringat Kampung Parit Kota Bharu, Kelantan	Freehold	-	16-Aug-87	0.7039 ha	Television transmission station	20	180,655
Lot 374, Block 12 Miri Concession Land District Km 3, Jalan Miri-Bintulu Miri, Sarawak	Leasehold	60 years Expiry : 2053	8-Apr-93	0.4815 ha	Television transmission station	15	105,417
Pandan Ville Condominium Block B Jalan Pandan Indah 1/16 Pandan Indah 55100 Kuala Lumpur	Leasehold	99 years Expiry : 2091	1-0ct-01	8 units x 1,587 sq ft	Condominium	11	1,547,624
Pangsapuri Greenpark Block B, Jalan Awan Pintal Pangsapuri Taman Hijau 58200 Kuala Lumpur	Freehold	-	25-Jun-96	2 units x 1,232 sq ft 1 unit x 1,053 sq ft	Condominium	9	497,612
Sri Intan Condominium No. 2, Jalan Terolak 6 Off Jalan Batu 5, Jalan Ipol 51200 Kuala Lumpur	Freehold h	-	21-Aug-96	2 units x 2,220 sq ft	Condominium	10	660,000
Commerce Square Batu 10 Jalan Kelang Lama SS8/1 Petaling Jaya Selatan Mukim Damansara Petaling, Selangor	Leasehold	99 years Expiry : 2091	30-May-01	1 unit x 2,963 sq ft 1 unit x 3,130 sq ft	Commercial building Commercial building	9	1,350,000
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor, Sela	Freehold angor	-	27-Jul-99	1 unit x 43,560 sq ft	Residential land	8	100,000
Lembah Beringin P.T. No 2134 Mukim Sungai Gumut Daerah Hulu Selangor, Sela	Freehold angor	-	27-Jul-99	1 unit x 53,561 sq ft	Residential land	8	100,000
Lembah Beringin Lot No. 60 Mukim Sungai Gumut Daerah Hulu Selangor, Sela	Freehold angor	-	21-Sep-04	1 unit x 10,934 sq ft	Residential land	3	80,000

# **list of properties** cont'd as at 31 December 2010

LOCATION	ТҮРЕ	TENURE	DATE OF ACQUISITION	AREA	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK Value (RM)
Lembah Beringin Lot No. 61 Mukim Sungai Gumut Daerah Hulu Selangor, Selangor	Freehold	-	21-Sep-04	1 unit x 10,955 sq ft	Residential land	3	80,000
Putrajaya Precinct 8 Phase 5A Unit C-3A-3A Level 4 (Tingkat 3), Block C Pusat Pentadbiran Kerajaan Persekutuan Putrajaya	Freehold	-	22-Dec-00	1,351 sq ft	Commercial building	7	270,000
Unit No. 102 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	_	14-May-04	942 sq ft	Apartment	3	110,000
Lot No. 76 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	-	14-May-04	1,650 sq ft	Commercial building	3	450,000
Summerset Resort Unit No : D120 Unit No : D124 Unit No : GS-01-11 Unit No : D108 Mukim Rompin Daerah Rompin Negeri Pahang	Leasehold	99 years Expiry : 2094	12-Dec-02 12-Dec-02 12-Dec-02 4-May-04	1,455 sq ft 1,455 sq ft 377 sq ft 1,500 sq ft	Holiday bungalow Holiday bungalow Studio Holiday bungalow	5 5 5 3	250,000 250,000 130,000 300,000
Lot 2B-4-20 & 2B-4-21 Kompleks Tun Abdul Razak Geogetown, Penang	Leasehold	99 years Expiry : 2093	31-May-95	7,316 sq ft	Cineplex	12	1
Damai Laut Holiday Apartments Lot F2-01-03A & Lot F2-GF-03A Jalan Titi Panjang 32200 Lumut Perak	Freehold	-	5-Aug-97	2 lots x 981 sq ft	Apartment	9	2
Kawasan Perniagaan Permatang Rawa Jalan Permatang Rawa 1 14000 Bukit Mertajam Pulau Pinang	Freehold	-	29-Apr-97	4 lots x 3,828 sq ft 1 lot x 5,092 sq ft	Commercial building	11	5

LOCATION	ТҮРЕ	TENURE	DATE OF ACQUISITION	AREA	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK Value (RM)
Lot No. 2.30	Leasehold 7	99 years	15-Sep-04	603.88 mts	Commercial building	3	1
Lot No. 2.31	Leasehold	Expiry : 2093	15-Sep-04	603.88 mts	Commercial building	3	1
Lot No. 2.32 Summit Centre Shopping Complex Mines Wonderland Seri Kembangan Petaling, Selangor	Leasehold J		15-Sep-04	596.99 mts	Commercial building	3	
Lot No. 2344/45 Puncak Alam Mukim of Jeram , Selangor	Freehold	_	9-Aug-06	4292 sq ft	Double storey terrace	1	320,000
HSD 6318 PT 6437 Mukim Serendah Ulu Selangor	Freehold	_	25-Jun-10	557.42 sq mts	Land and single storey detached house	1	250,000
Lot 159 & 160 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	_	12-Nov-96	80,063 sq ft	Commercial land	_	7,093,700
Lot 7/9 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	_	12-Nov-96	7562 sq ft	Commercial building	-	8,258,450
No. 9-2b, Jalan Desa 9/4 Bandar Country Homes 48000 Rawang, Selangor	Freehold	_	28-Dec-98	695 sq ft	Office unit	9	41,369
31, Jalan Riong Off Jalan Bangsar, Kuala Lumpur	Freehold	_	1972	7,820 sq mts	Head office and printing plant	37	8,889,207
9, Jalan Liku Kuala Lumpur	Freehold	_	1986	6,900 sq mts	Printing plant extension	18	45,728,963
Lot No. 323,324 & 325 Jin Bangsar Utama 1 Bangsar Utama 59000 Kuala Lumpur	Leasehold	99 years Expiry : 2085	1994	1,859 sq mts	5 - storey shop office	23	7,021,134
No.16, Jln U8/88 Bukit Jelutong Ind.Park 40000 Shah Alam,Selangor	Freehold	_	1995	141,691 sq mts	Regional printing plant	9	97,423,780

# **list of properties** cont'd as at 31 December 2010

LOCATION	ТҮРЕ	TENURE	DATE OF Acquisition	AREA	DESCRIPTION	APPROXIMATE  AGE OF  BUILDINGS  (YEARS)	NET BOOK Value (RM)
24, Jln SS2/61 Petaling Jaya, Selangor	Freehold	_	1981	565 sq mts	3 1/2 - storey shophouse	28	2,946,691
No.9, Jln Pulau Pinang 2 Newcity Business Centre Meru, Klang, Selangor	Freehold	_	1996	766 sq mts	4 1/2 - storey shop office	13	795,959
Lot 33, Jln Sultan Mohamed 1 Jln Lebuh 1, Kaw.Perindustrian Bandar Sultan Sulaiman Pelabuhan Klang Utara Klang, Selangor	Leasehold	99 years Expiry : 2091	1991	12,746 sq mts	Warehouse	18	11,010,636
Leisure Commerce Square BIk B-3A-02, 04, 05, 06 07, 08, 10, 12 & 14 Jalan PJS 8/9, Petaling Jaya Selangor	Leasehold	99 years Expiry : 2095	1999	715 sq mts	Office space	10	1,141,261
Leisure Commerce Square Blk A-04-01 & 02 Jalan PJS 8/9, Petaling Jaya Selangor	Leasehold	99 years Expiry : 2095	1999	360 sq mts	Office space	10	684,835
GG P5, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry : 2088	2002	130 sq mts	Townhouse	7	282,034
SG P2, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry : 2088	2002	130 sq mts	Townhouse	7	280,770
Lot 1.65-1.68, 1.70-1.73 Lot K1.01 & K1.04 South City Plaza Seri Kembangan, Selangor	Leasehold	99 years Expiry : 2093	1997 2001	439 sq mts 36 sq mts	Retail Shoplots Retail Kiosk	12	2,503,808
Lot No. 058, Phase 4B Bandar Tasik Kesuma 43700 Beranang Selangor	Freehold	-	2004	1,468 sq mts	Single storey house	5	164,286
Unit B-3-12, Fasa 3C Pesona Apartment JIn Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	_	2000	100 sq mts	Walk-up apartment	9	115,331

LOCATION	ТҮРЕ	TENURE	DATE OF ACQUISITION	AREA	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK Value (RM)
Unit B-3-12A, Fasa 3C Pesona Apartment JIn Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	-	2000	96 sq mts	Walk-up apartment	9	110,517
Lot 322 & 323 Prai Industrial Estate Seberang Perai Tengah Pulau Pinang	Leasehold	99 years Expiry : 2039	1978	14,600 sq mts	Regional printing plant	31	3,244,996
Mukim 1, Kawasan Perusahaan Prai, Seberang Prai Pulau Pinang	Leasehold	99 years Expiry : 2035	1998	8,100 sq mts	Regional printing plant	9	16,203,114
No.33, Jln Sultan Ahmad Shah Pulau Pinang	Freehold	_	1992	657 sq mts	2 1/2 - detached office block	17	4,694,209
Lot T2 & T3, Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry : 2043	1978	73,700 sq mts	Regional printing plant	30	4,417,876
Lot PLO2, Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry : 2043	1997	62,560 sq mts	Regional printing plant extension		21,838,799
Lot 11141, Tampoi Commercial Centre Johor Bahru, Johor	Leasehold	99 years Expiry :2081	1990	830 sq mts	3 - storey shophouse	19	735,835
Kawasan Perindustrian Ajil Hulu Terengganu Terengganu	Leasehold	60 years Expiry : 2057	1998	58,436 sq mts	Regional printing plant	9	26,495,690
No. 1107-U, Jln Pejabat Kuala Terengganu Terengganu	Freehold	-	1981	452 sq mts	3 - storey shophouse	28	929,437
235, Jin Taman Taman Melaka Raya Melaka	Leasehold	99 years Expiry : 2075	1981	381 sq mts	3 - storey shophouse	28	417,632
No.89, Jalan Toman 5 Kemayan Square Off Jalan Sg.Ujong, Seremban Negeri Sembilan	Freehold	-	1997	699 sq mts	3 - storey corner shophouse	12	532,668
Lot 1024, Mukim Sri Rusa Bt.8 3/4, Jln Pantai Teluk Kemang Port Dickson, Negeri Sembilan	Freehold	-	1990	5,974 sq mts	3 storey condominium with training and recreation facility	18	4,812,908

# **list of properties** cont'd as at 31 December 2010

LOCATION	ТҮРЕ	TENURE	DATE OF ACQUISITION	AREA	DESCRIPTION	APPROXIMATE AGE OF BUILDINGS (YEARS)	NET BOOK Value (RM)
29A, B & C, Jln Hussein, Ipoh, Perak	Freehold	-	1980	850 sq mts	4 1/2 - storey shop house	29	593,736
Lot G-14, Bangunan Sri Kinta Ipoh, Perak	Freehold	_	1982	420 sq mts	Ground floor, 13 - storey complex	27	925,106
No. 1, Lorong Rusa 1 Off Jln Bukit Ubi, Kuantan Pahang	Freehold	_	1980	576 sq mts	4 - storey shophouse	29	550,452
Lot No. 219, Muar Cottage Lady Maxwell Road Fraser's Hill, Pahang	Freehold	_	1979	2,651 sq mts	Holiday Bungalow	30	500,638
Lot 9, Taman Kayangan Fraser's Hill, Pahang	Leasehold	Expiry : 2051	1990	4,103 sq mts	Vacant land	_	74,017
Lot 78, Tingkat Bawah Kompleks Alor Setar Alor Setar, Kedah	Leasehold	99 years Expiry : 2083	1988	101 sq mts	Ground Floor, 3 - storey shophouse	21	198,688
Lot 79, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	99 years Expiry : 2083	1986	130 sq mts	3 - storey shophouse	23	414,916
Lot 80, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	Expiry : 2083	1986	499 sq mts	3 - storey shophouse	23	659,815
2153, Taman Abd. Aziz Alor Setar, Kedah	Freehold	_	1981	218 sq mts	2 - storey shophouse	28	225,181
Lot 184, Jln Kuala Krai Kota Bharu, Kelantan	Leasehold	Expiry : 2061	1995	520 sq mts	3 1/2 - storey shophouse	14	655,345
Lot 65, Block G Asia City, Kota Kinabalu Sabah	Freehold	-	1996	446 sq mts	4 - storey shophouse	13	1,193,072
Lok Kawi, District of Papar Kota Kinabalu, Sabah	Leasehold	Expiry : 2042	1996	10,411 sq mts	Vacant land - Proposed for printing plant	-	1,337,689
Lot 8130, Block 64 Kuching, Sarawak	Leasehold	Expiry : 2047	1996	457 sq mts	4 - storey shophouse	13	547,752
7, Wyndham Mews London W1	Freehold	-	1979	_	Residential house	30	6,893,832
108, Whitehall Court London SW1	Leasehold	Expiry : 2086	1976	_	Apartment	33	3,730,650

## group directory

#### **MEDIA PRIMA BERHAD**

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com.my

http://www.mediaprima.com.my Website:

#### SISTEM TELEVISYEN MALAYSIA BERHAD

Sri Pentas

No. 3 Persiaran Bandar Utama

Bandar Utama

47800 Petaling

Selangor Darul Ehsan

Malaysia

(P.O Box 11124, 50736 Kuala Lumpur)

+603 7726 6333 Tel Fax +603 7727 8455 Email enquiries@tv3.com.my Website: http://www.tv3.com.my

### **BIG TREE OUTDOOR SDN BHD**

Lot 1.06, 1st Floor, KPMG Tower 8, First Avenue, Bandar Utama

47800 Petaling Selangor Darul Ehsan

Malaysia

Tel +603 7728 3889 +603 7729 3999 Fax

Website : http://www.bigtreeoutdoor.com

## KURNIA OUTDOOR SDN BHD

Unit W603, Level 6, West Wing Metropolitan Square (Commercial)

2. Jalan PJU 8/1

Bandar Damansara Perdana

47820 Petaling Jaya Selangor Darul Ehsan

Malaysia

Tel +603 7727 1177 +603 7727 1988

#### **CH-9 MEDIA SDN BHD**

Sri Pentas, 3rd Floor, South Wing No. 3 Persiaran Bandar Utama

Bandar Utama 47800 Petaling Selangor Darul Ehsan

Malaysia

Tel +603 7985 8360 Fax +603 7952 7819 / 7809 Website: http://www.tv9.com.my

#### NATSEVEN TV SDN BHD

Sri Pentas, 2nd Floor, North Wing No. 3 Persiaran Bandar Utama

Bandar Utama 47800 Petaling Selangor Darul Ehsan

Malaysia

Tel +603 7726 8777 +603 7726 9777 Fax

Email feedback@ntv7.com.my http://www.ntv7.com.my Website:

### THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Balai Berita, 31 Jalan Riong 59100 Kuala Lumpur

Malaysia

Tel +603 2282 3131 +603 2282 1428 Fax general@nstp.com.my Email Website: http://www.nstp.com.my

### **GAMA MEDIA INTERNATIONAL** (BVI) LIMITED

12th Road Kanda-Accra Opposite the French Embassy Box M83 Accra-Ghana

Tel +21-763458 / 763462 +233-21-763450 Fax info@tv3.com.gh Email : http://www.tv3.com.gh Website:

#### METROPOLITAN TV SDN BHD

Sri Pentas, 3rd Floor, South Wing No. 3 Persiaran Bandar Utama

Bandar Utama 47800 Petaling Selangor Darul Ehsan

Malaysia

+603 7728 8282 Tel Fax +603 7726 8282 Website: http://www.8tv.com.my

#### **ALT MEDIA SDN BHD**

Sri Pentas, 3rd Floor, North Wing No. 3 Persiaran Bandar Utama

Bandar Utama 47800 Petaling Selangor Darul Ehsan

Malaysia

Tel +603 7726 6333 +603 7710 3876

Fmail contactus@gua.com.my Website: http://www.gua.com.my

### PRIMEWORKS STUDIOS SDN BHD

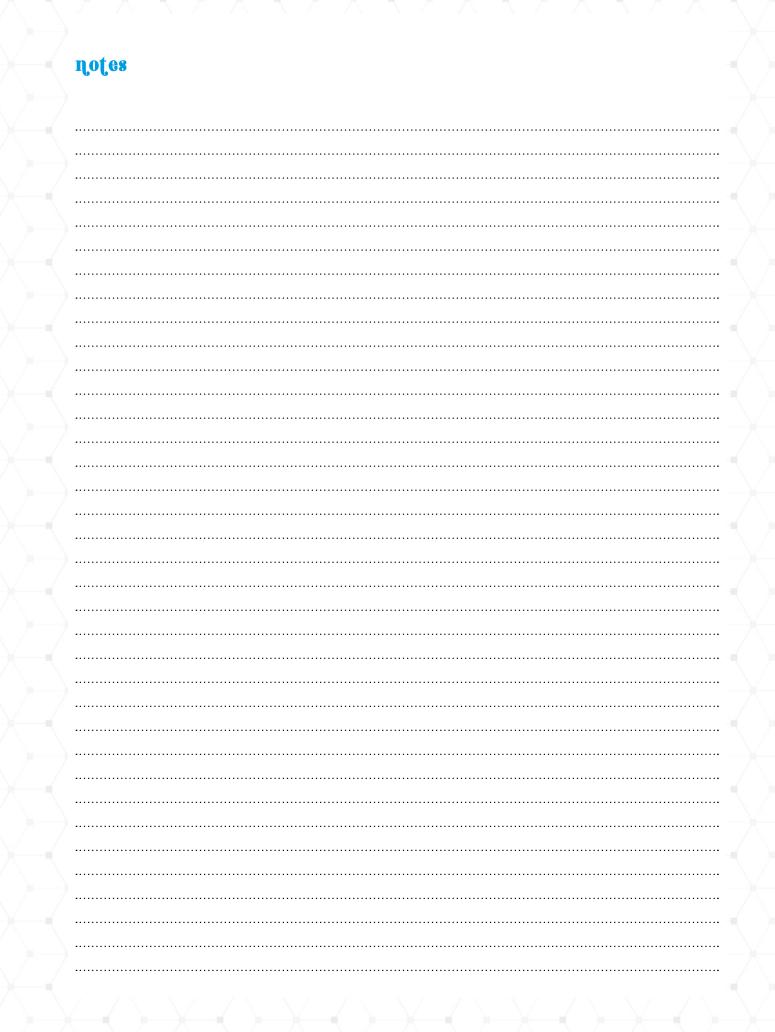
Sri Pentas

No. 3 Persiaran Bandar Utama

Bandar Utama 47800 Petaling Selangor Darul Ehsan Malavsia

+603 7726 6333 Tel Fax +603 7726 1333

Website: http://www.primeworks.com.my





# proxy form

(Before completing this form, please see the notes below)		
I/We (Full Name in Capital Letters)		
Of (Full Address)		
Ut (Luii Addicess)		
hairan ann haifeann an GMEDIA DOIMA DEDIIAD han ha an sinh èTha Ohairan an Ghla Madianan an		
being a member/members of <b>MEDIA PRIMA BERHAD</b> hereby appoint *The Chairman of the Meeting or (Full Name)		
Of (Full Address)		
or failing whom (Full Name)		
Of (Full Address)		
and the standard and the formation of the standard Markins of the		
as my/our proxy to attend and vote for me/us on my/our behalf at the Tenth (10th) Annual General Meeting of the 20 April 2011 at 3.00 p.m. and at any adjournment thereof.	ie Company to de i	ieid on wednesday,
20 Tipin 2021 at 0.00 p.m. and at any adjournment thorous		
Please indicate with an "X" on the Resolutions below on how you wish your vote to be cast. If no specific direction a	as to voting is given	, the proxy will vote
or abstain at his discretion.		
NO. RESOLUTION	FOR	AGAINST
1. To receive and adopt the Statutory Financial Statements	:	:
To re-elect the following Directors under Articles 100 and 101:		<u>;</u>
2. Shahril Ridza Ridzuan		<u>;</u>
3. Tan Sri Mohamed Jawhar		<u>;</u>
4. Dato' Gumuri Hussain		<u>.</u>
5. To approve a final single-tier dividend of 6.0 sen per ordinary share for the financial year ended	:	
31 December 2010		<u>:</u>
6. To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2010		
7. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorize the Directors	:	
to fix their remuneration		<u>;</u>
AS SPECIAL BUSINESS:		
ORDINARY RESOLUTION	:	
8. Proposed Renewal of Share Buy-Back Authority	<u>:</u>	<u>:</u>
Dated this day of 2011		
Number of charge hold		
Number of shares held		
	Signature of Shareh	ıolder
* Delete if not applicable	Signature of Shareh	older

#### NOTES

- 1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. The Proxy Form must be signed by the appointor or his attorney duly authorized in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
- 3. The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

#### \*\*Resolution 8

 ${\it Please \ refer to \ the \ Statement \ to \ Shareholders \ dated \ 28 \ March \ 2011 \ for \ further \ information.}$ 



#### STANDING FROM LEFT TO RIGHT

- NURAINI HAMID Group Finance
- SHARIFAH NURADIBAH Corporate Finance
- SYLVIA SINGARAIM Group Human Resources
- **SOFIA HISHAMUDDIN** Group Corporate Communications
- JOHAN MOHAMED ISHAK
- TG NAHDATUL SHIMA TG BAHANUDDIN Corporate Governance & Risk Management
- ASHVIN RATNANESAN Corporate Governance & Risk Management
- NOR ARZLIN REDZUAN **Group Human Resources**
- **ELIZA MOHAMED Group Corporate Communications**

### SITTING FROM LEFT TO RIGHT

- JESSICA TAN SAY CHOON Legal & Secretarial
- AHMAD RIZA MOHD SAIAN Group Finance
- NOOR ALINA MOHAMAD FAIZ Legal & Secretarial
- SERE MOHAMMAD MOH<mark>d Kasim</mark> Corporate Governance & Risk Management
- TENGKU ADRINNA SHAHAZ Corporate Finance
- DATIN NYAROSE MOHD JAAFAR Management Services
- NAFIZAH MUSTAFFA Management Services



