

media

prima

GIVINGBACK

ANNUAL REPORT 09





At Media Prima Berhad, we are evolving in the way we do business. Profits are not the only measurement for success; instead we are now looking at how we impact the communities around us. The profitable growth of our company depends on the economic, environmental, and social sustainability of our communities, thus it is important that we take into consideration how our business affects these communities, and how we can make these communities better, from charitable causes to driving change by raising the public's awareness on social and environmental issues.

Change will take time, and the challenge for us is to get our employees to inculcate Corporate Responsibility (CR) into the work culture; where everything we do should reflect an element that will have a positive impact on the communities around us. CR is not a company policy; it is a criterion for every business and operational decision we make.

Despite the economic challenges we faced in the past two years, we had at the beginning of 2009, made the commitment to maintain, or even increase our investment in CSR initiatives, from the content that we broadcast to assisting the various groups in need. We did it simply because it was the right thing to do, and the time is always right to do the right thing.

GIVING BACK TO THE COMMUNITY



Media Prima operates four (4) out of six (6) free-to-air (FTA) television channels - TV3, ntv7, 8TV and TV9. The four stations collectively command 50% of the nationwide viewership figures. (Source: AGB Nielsen Media Research)



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 and documentaries.



The Group currently owns three radio networks, Fly FM, Hot FM and more recently One FM. Hot FM became the country's number 1 station after only 3 years in existence. (Source: Nielsen Radio Audience Measurement Survey)



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, UPD, The Right Channel, Kurnia Outdoor as well as Jupiter Outdoor Network commands a hefty 42% share of the outdoor market.



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

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Proxy Form



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninth (9th) 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 Thursday, 15 April 2010 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon.
(Resolution 1)
2. To re-elect the following Directors who will retire in accordance with Articles 101 and 102 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (i) Dato Sri Ahmad Farid Ridzuan
(Resolution 2)
 - (ii) Dato' Abdul Kadir Mohd Deen
(Resolution 3)
 - (iii) Tan Sri Lee Lam Thye
(Resolution 4)
3. To re-elect the following Directors who will retire in accordance with Article 106 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - (i) Datuk Johan Jaaffar
(Resolution 5)
 - (ii) Dato' Amrin Awaluddin
(Resolution 6)
 - (iii) Datuk Ahmad Abd Talib
(Resolution 7)
 - (iv) Dato' Fateh Iskandar
Tan Sri Dato' Mohamed Mansor
(Resolution 8)

4. To approve a final single-tier dividend of 5.6 sen per ordinary share for the financial year ended 31 December 2009.
(Resolution 9)
5. To approve the Directors' fees of RM281,288.00 for the financial year ended 31 December 2009.
(Resolution 10)
6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 11)

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION

7. 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 profit 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; and
- (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
 - (c) 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:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming 9th 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
- (ii) 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 12)

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 5.6 sen per ordinary share for the financial year ended 31 December 2009, if approved by the shareholders at the 9th Annual General Meeting, will be paid on 14 July 2010 to Depositors whose names appear in the Record of Depositors at the close of business on 15 June 2010.

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 2010 in respect of transfers;
- b. shares deposited into the Depositor's Securities Account before 12.30 p.m. on 11 June 2010 in respect of shares exempted from mandatory deposit; and
- c. 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 : 23 March 2010

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 12

Please refer to the Statement to Shareholders dated 23 March 2010 for further information.

Statement Accompanying Notice of Annual General Meeting

Directors who are standing for re-election and re-appointment at the Ninth (9th) Annual General Meeting of Media Prima Berhad are:

Directors retiring by rotation pursuant to Articles 101 and 102 of the Company's Articles of Association:

- (i) Dato Sri Ahmad Farid Ridzuan
(Resolution 2)
- (ii) Dato' Abdul Kadir Mohd Deen
(Resolution 3)
- (iii) Tan Sri Lee Lam Thye
(Resolution 4)

Directors retiring by rotation pursuant to Article 106 of the Company's Articles of Association:

- (i) Datuk Johan Jaaffar
(Resolution 5)
- (ii) Dato' Amrin Awaluddin
(Resolution 6)
- (iii) Datuk Ahmad Abd Talib
(Resolution 7)
- (iv) Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor
(Resolution 8)

The details of the above Directors who are seeking re-election or re-appointment are set out in the "Board of Directors Profiles" which appear from pages 14 to 18 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 198 of the Annual Report.

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

Dato' Fateh Iskandar Bin
Tan Sri Dato' Mohamed Mansor*

* Independent Non-Executive Director

AUDIT COMMITTEE MEMBERS

CHAIRMAN

Dato' Gumuri Bin Hussain*

MEMBERS

Tan Sri Lee Lam Thye*

Tan Sri Mohamed Jawhar*

Dato' Abdul Kadir Bin Mohd Deen*

* Independent Non-Executive Director

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 Arifin & Partners
Advocates & Solicitors
Unit A3-8, Block A
Megan Phileo Promenade
189, Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03 2162 0499
Fax: 03 2162 0490

M/s TH Liew & Partners
Advocates & Solicitors
Suite PH1, Penthouse Level
Wisma UOA Pantai
No 11, Jalan Pantai Jaya (Jalan 4/83A)
59200 Kuala Lumpur
Tel : 03 2241 9000
Fax: 03 2241 9001

M/s Mazlan & Associates
Advocates & Solicitors
Level 3A Wisma E & C
2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel : 03 2715 8802
Fax: 03 2715 8801

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 Jaaffar
Chairman

Dato' Amrin Awaluddin
Group Managing Director

Dato' Sri Ahmad Farid Ridzuan
Group Chief Executive Officer,
Television Networks of Media Prima Berhad/
Media Prima International

Amil Izham Hamzah
Group Chief Financial Officer

Goh Hin San
Advisor, Chairman's Office

Datuk Ahmad bin Abd Talib
Executive Director,
News and Editorial Operations, MPB

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

Datuk Kamal Khalid
Chief Operating Officer, Business
Development & Media Prima International

Zuraidah Atan
Group Chief Technology Officer

Shareen Ooi Bee Hong
Chief Marketing Officer
Television Networks

Mohamad Azri Abdul
General Manager, Client Services
Television Networks

Nadhirah Abdullah @ Dorothy Ak Empam
General Manager, Client Services
Television Networks

Noor Amy Ismail
General Manager, Business Development

Tuan Hj Zulkifli Hj Mohd Salleh
Group General Manager,
Stakeholder Management

Laili Hanim Mahmood
Group General Manager, Regulatory Affairs,
Stakeholder Management
Television Networks

Navonil Roy
General Manager, Strategy

Sere Mohammad Mohd Kasim
Group General Manager, Corporate
Governance & Risk Management

Eliza Mohamed
Group General Manager,
Group Corporate Communications

Johan Mohamed Ishak
General Manager, Finance
Accounting Management &
Financial Reporting

Ahmad Riza Mohd Saian
General Manager, Finance
Treasury & Financial Operations

Tan Kwong Meng
Group General Manager, Engineering
Television Networks

Abdul Rashid Malik Khushi Muhammad
Group General Manager,
Airtime Management Group
Television Networks

Nor Arzlin Redzwan
Group General Manager, Human Resources

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

Noor Alina Mohamad Faiz
Group General Manager, Legal & Secretarial

Jessica Tan Say Choon
Group Company Secretary

**SISTEM TELEVISYEN MALAYSIA
BERHAD**
Nurul Aini Hj Abu Bakar
General Manager
Brand Management Group

Sherina Mohamad Nordin
General Manager, Mass Market
Brand Management Group

Mohd Ashraf Abdullah
Group Editor, TV3
News & Current Affairs

NATSEVEN TV SDN BHD
Nur Airin Zainul
General Manager, ntv7

Sofwan Mahmood
General Manager, News Operation ntv7

Emilya Suzana Ab. Rahim
Manager, Brand Management

Teo Ee Ling
Manager, Business Development

Lotfi Ismail
Manager, Brand Communication
(Special Pjts/A&P/Network Branding, Online)

Lai Cheah Yee
Manager, Chinese Brand

Rozitta Ramli
Manager, Public Relations

METROPOLITAN TV SDN BHD
Ahmad Izham Omar
Executive Director

Lam Swee Kim
General Manager, 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
Rozaina Zainul Abidin
Head, Brand Management

Sofwan Mahmood
General Manager, News Operation TV9

**MEDIA PRIMA BERHAD
INTERNATIONAL BUSINESS**
Dato' Sri Ahmad Farid Ridzuan
Chief Executive Officer,
International Business

Datuk Kamal Khalid
Chief Operating Officer
Media Prima International

PRIMEWORKS STUDIOS SDN BHD

Farisha Pawanteh
Chief Operating Officer

Azhar Borhan
General Manager
Content & Industry Development

Lennon Lim Yen Leong
General Manager, Sports

Ahmad Kamaludin Zaba'ai
General Manager, Malay/English
Magazine, Documentary

Ahmad Puad Onah
General Manager
Movies / Drama

Tengku Iesta Tengku Alaudin
General Manager, Studio Business &
Corporate Affairs

Mas Ayu Ali
General Manager, Chinese Entertainment

Hemanathan Paul
Manager, Malay / English
Entertainment

Fadzliniza Zakaria
Manager, Malay / English
Entertainment

Kamarul Zamli Ramly
Manager, Malay / English
Entertainment

Sunil Kumar
Manager, Malay / English
Entertainment

Au Yong Yim San
Manager Artistes & Talent Management

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

Ahmad Izham Omar
Head of Radio Networks

Seelan Paul
Chief Operating Officer, Radio Networks

Zurina Othman
Network General Manager Brand &
Promotions

Anida Mohd Tahrir
Network Programme Manager

Mohd Akhmal Andak
Network Engineering Manager

Elaine Lee Yee Lim
Network Sales Manager

Lily Fong Chee Ling
Manager, Network Direct Sales

ALT MEDIA SDN BHD

Ahmad Izham Omar
Chief Executive Officer

Mohd Zulkifli Abd Jalil
General Manager, Content,
Brand & Marketing

Paul Moss
General Manager, Platforms,
Technology & New Business

Alfred Juan Anthony
Manager, Online Sales

BIG TREE OUTDOOR SDN BHD

Mohammad Azlan Abdullah
Chief Executive Officer

Farnida Ngah
General Manager, Finance

Mohamad Shukor Ariffin
General Manager, Business Development &
Corporate Planning

Shirley Gan
Head, Human Resource, Administration &
Support Services

Jeff Cheah See Heong
General Manager - Big Ride & Big Buy

Mary Koh Mei Yoke
General Manager - Big Drive, Sales

TV3 NETWORKS LIMITED

Syed Zaidi Syed Ahmad Akil
Chief Executive Officer

Suhaimi Sheikh Muhamad
Chief Operating Officer

**THE NEW STRAITS TIMES PRESS
(MALAYSIA) BERHAD**

Dato' Anthony Firdaus Bujang
Chief Executive Officer, NSTP

Zainul Arifin 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

Mohamad Ariff Ibrahim
Chief Financial Officer / Finance Director

Badariah Abd. Jalil
Director, Human Capital

Zafrul Shastri Hashim
Director Corporate Affairs

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

Corporate Structure

Television Broadcasting



Sistem Televisyen Malaysia Berhad
100%



Metropolitan TV Sdn. Bhd.
100%

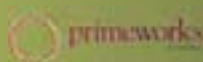


CH-9 Media Sdn. Bhd.
100%



Natseven TV Sdn. Bhd.
100%

Content Creation



Primeworks Studios Sdn. Bhd.
100%

Events Management



Big Events Sdn. Bhd.
100%

Print



The New Straits Times Press
(Malaysia) Berhad (NSTP)
89.6%

Radio



Max Airplay Sdn. Bhd.
75%



Synchrosound Studio Sdn. Bhd.
100%



One FM Radio Sdn. Bhd.
80%

Outdoor



Big Tree Outdoor Sdn. Bhd.
100%



UPD Sdn. Bhd.
100%



The Right Channel Sdn. Bhd.
100%



Kurnia Outdoor Sdn. Bhd.
80%

New Media



Alt Media Sdn. Bhd.
100%

International Division



TV3 Network Limited
(TV3 Ghana)
90%

Organisational Structure

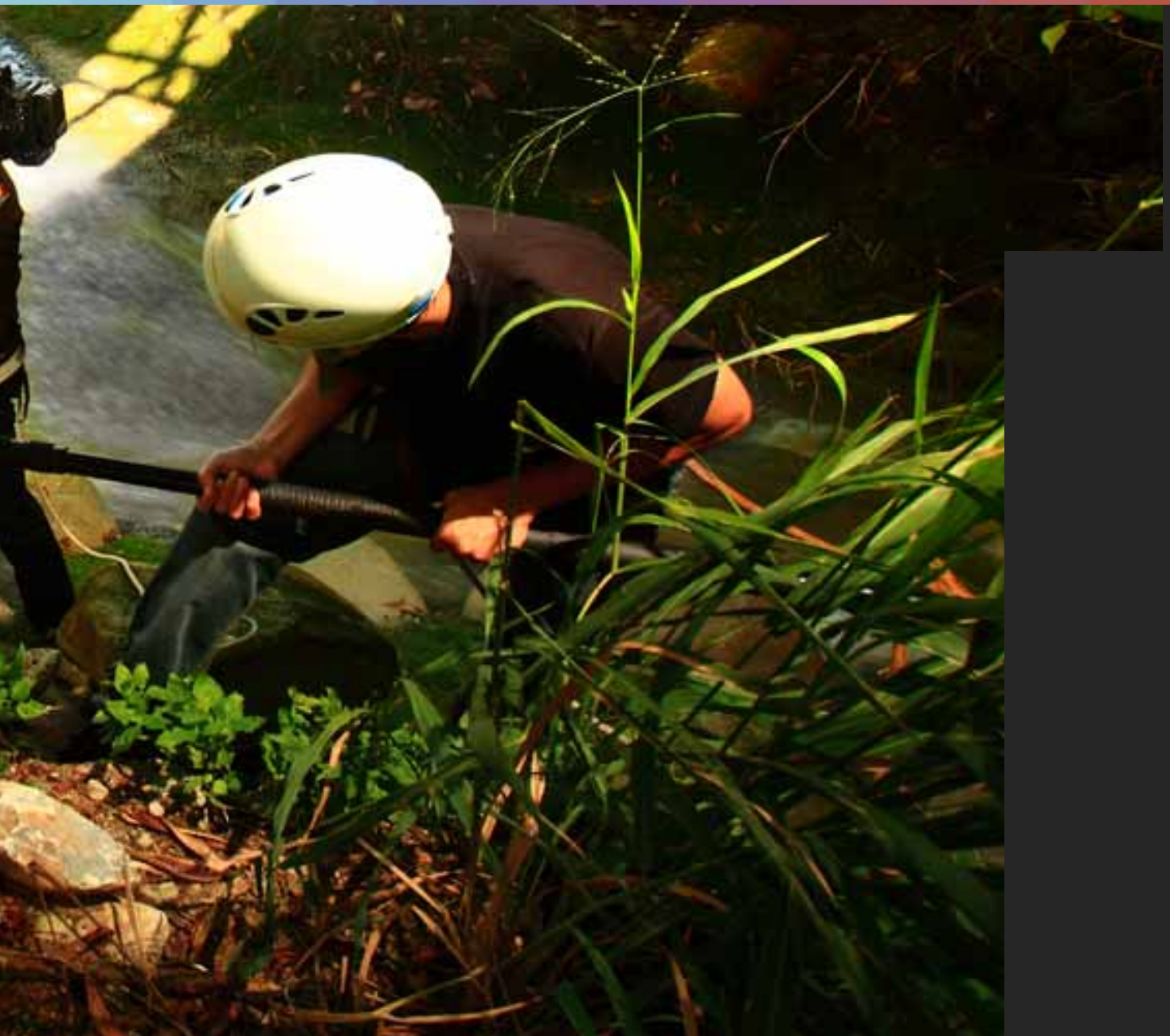






More Than Just Entertainment

At Media Prima, we've been enthralling Malaysians with quality programming which not only entertained and informed but along the way we've also nurtured local talent and helped improve the lives of Malaysians as well brought aid to people around the world when it was most needed through the content we have produced, social issues highlighted and projects undertaken to help the less fortunate.



Board of Directors' Profile



01/

DATUK JOHAN BIN JAAFFAR

Datuk Johan bin Jaaffar, aged 56, 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 is currently the Chairman of the Board of Dewan Bahasa and Pustaka (DBP). He also holds the Chairman position for 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 (Formerly known as Radio Wanita Sdn Bhd (One FM), Primeworks Studios Sdn Bhd, Big Tree Outdoor Sdn Bhd (BTO), Sekolah Sri Nobel, a private school, and Itizam Tuah Sdn Bhd, a training company. He has also served as an Independent Non-Executive Director of Sindora Berhad. He is currently a columnist for the New Straits Times and Berita Minggu.

Datuk Johan 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 Multimedia Super Corridor, Datuk Johan was appointed to the Board of 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.

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.

02/

DATO' AMRIN BIN AWALUDDIN

Dato' Amrin, aged 43, is the Group Managing Director of Media Prima Berhad (Media Prima). He was appointed to the Board of Media Prima on 1 September 2009.

Before his appointment as the Group Managing Director of Media Prima, he was the Group Advisor, Media Prima, Chief Executive Officer of Sistem Televisyen Malaysia Berhad (TV3) and Chief Operating Officer of Media Prima since April 2008.

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 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 Metropolitan TV Sdn Bhd (8TV) in 2003, Natseven TV Sdn Bhd (ntv7), Ch-9 Media Sdn Bhd (TV9), Synchrosound Studio Sdn Bhd (Hot FM) and Max-Airplay Sdn Bhd (Fly FM) in 2005 which contributed to the consolidation of the domestic TV industry and Media Prima's maiden expansion into radio. He was involved in the successful acquisition of Big Tree Outdoor Sdn Bhd (BTO) and the eventual consolidation of Media Prima's outdoor business through the acquisition of UPD Sdn Bhd and The Right Channel Sdn Bhd.

During his tenure as the Chief Executive Officer of ntv7 in January 2006 to March 2008, Dato' Amrin led a team which formulated and implemented the financial and operational turnaround of the network and the repositioning of the ntv7 brand.

He sits on the Board of Media Prima's subsidiaries amongst them TV3, TV9, ntv7, 8TV, BTO, TV3 Network Ltd, Primeworks Studios Sdn Bhd, The Talent Unit Sdn Bhd, Alternate Records Sdn Bhd, Lazim Juta Sdn Bhd, Fly FM, Hot FM, One FM and Kurnia Outdoor Sdn Bhd.

Dato' Amrin is the Vice Chairman of Content Forum Commission of Malaysia (CMCF), and a Board Member of Kuala Lumpur Business Club (KLBC). 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.

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.

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.

03/

DATO' SRI AHMAD FARID BIN RIDZUAN

Dato' Sri Ahmad Farid bin Ridzuan, aged 49, a Malaysian, is the Group Chief Executive Officer, Television Networks of Media Prima Berhad (Media Prima) / Media Prima International. 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 also serves on several boards and committees of non-profits bodies including the National Athletes Welfare Foundation, Yayasan Budiman UiTM, Malaysian Hockey Federation and the Football Association of Malaysia.

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.

04/

SHAHRLID RIDZA BIN RIDZUAN

Shahril Ridza bin Ridzuan, aged 39, 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. 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 (Investments) at the EPF.

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. He has had no convictions for any offences within the past ten years.

05/

TAN SRI LEE LAM THYE

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 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.

06/

TAN SRI MOHAMED JAWHAR

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.

Tan Sri Jawhar is currently the Chairman of The New Straits Times Press (Malaysia) Berhad (NSTP). He also sits on the Board of Affin Islamic Bank Berhad.

Tan Sri Mohamed Jawhar served with the government before he joined ISIS Malaysia as Deputy Director-General in May 1990. He was appointed Director-General in March 1997 and was subsequently appointed Chairman and CEO of ISIS Malaysia on 9 January, 2006.

His other positions include: Member, Economic Council (August 2008 – January 2009); Member, National Unity Advisory Panel; Member, Advisory Board, Malaysian Anti-Corruption Commission; Non-Executive Chairman, New Straits Times; Co-Chair, Network of East Asia Think-tanks (NEAT) 2005-2006; Chairman, Malaysian National Committee, Pacific Economic Cooperation Council (PECC); Co-Chair, Council for Security Cooperation in the Asia Pacific (CSCAP) 2007-2009; Expert and Eminent Person, ASEAN Regional Forum (ARF); Board Member, International Institute of Advanced Islamic Studies; Distinguished Fellow, Institute of Diplomacy and Foreign Relations, Ministry of Foreign Affairs, Malaysia; and Board Member, Ekuiti Nasional Berhad (EKUINAS).

Before joining ISIS, his positions 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, University of Malaya.

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.

07/

DATO' ABDUL KADIR BIN MOHD DEEN

Dato' Abdul Kadir bin Mohd Deen, aged 65, 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 MIT Insurance Brokers Sdn Bhd, 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.

08/

DATO' GUMURI BIN HUSSAIN

Dato' Gumuri, aged 63, 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 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.

09/

DATUK AHMAD BIN ABD TALIB

Datuk Ahmad bin Abd Talib, aged 58, 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 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 a Board Member of the Malaysian Red Crescent.

Datuk Ahmad holds The Knight-Bagehot Fellowship in Economics and Business Journalism, Columbia University and 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.

10/

DATO' FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, aged 42, 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' FD 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' FD Iskandar also sits as a Board Member of Axis-Reits Managers Berhad. He is also a Board Member of The New Straits Times Press Berhad (NSTP).

He is currently the Vice President of The Real Estate & Housing Developer's Association (REHDA) Malaysia and Chairman of REHDA Selangor Branch. He is also a Director of MPI (Malaysian Property Incorporated). He is an EXCO Member of the Malaysian Australian Business Council (MABC), Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) and is the Treasurer of Selangor State UMNO.

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.

MORE THAN JUST COMPANY EXECUTIVES

When Media Prima first started out, there was no “master plan” on how the company was going to be “socially responsible”. Instead it was the numerous actions and initiatives that, when added together, allowed us to say, “we are making a difference”.

At the outset, it was individuals managing our various business units that drove our CR activities; where they had incorporated their personal beliefs on social responsibility into their management philosophies. It was the actions of these people that sowed the seeds of the vision the Group.

At the end of the day, in order to be successful, all you have is people. As a business organization we can strategize and direct, but it is the people who will make it happen. And we are fortunate that the people we have leading the company are not just company executives, but drivers of change.



DATO' AMRIN HJ AWALUDDIN

Group Managing Director
Media Prima Berhad

"Only when we are able to transform and enrich the lives of others are we ourselves enriched."

I believe most of us, as decent human beings, possess the innate desire to help the less fortunate. Often, however, life gets in the way, whether it is work or family.

So I consider myself extremely fortunate to be working for a group that places an emphasis on corporate responsibility; that strives to fulfill its responsibility as a corporate citizen, with initiatives that go beyond the boundaries of daily business operations.

When Media Prima first came into existence, we needed to put our own house in order, charity, as they say, begins at home. This included ensuring our operations were transparent and inculcating good corporate governance standards in our daily operations.

But once our house was spick and span and we were experiencing success in business, we looked around and realized that we had to do more for the communities around us – be it the industry we operated in, the less fortunate or the general public at large. After all these communities were our lifeblood, so to speak, and we depended on them for our continued sustenance.

So we went on, crafting our mission and fine tuning it till today. We have incorporated Corporate Responsibility elements into everything we do from the content we produce and services we offer, where we incorporate social messages on good values – to the projects we adopt, such as the schools under the Government's PINTAR project.

For example, our news content offers more than just news; it assists, educates and informs. Our drama and entertainment programmes go beyond entertaining; it creates awareness, integrates the society and highlights current issues. We capitalized our capabilities as a media group to disseminate social and community messages, not limited to health and social issues.

It is indeed a privilege to be a part of a group that places importance on the welfare of the various communities in the country. It gives me a feeling of personal satisfaction to be part of a team which enriches the lives of so many through the activities we undertake and services we offer.

We will continue to incorporate Corporate Responsibility in our activities and product offerings. We will ensure that our colleagues embrace and share the Group's vision. And they will discover that Corporate Responsibility is more than just a bunch of guidelines to be complied with. It is a way of seeing. And we will infuse every new member with the passion we feel for these projects until it becomes part of their DNA. After all, Media Prima is more than just an organization; it is an opportunity to touch and change lives for the better.



DATO' SRI AHMAD FARID RIDZUAN

Group Chief Executive Officer, Television Networks, Media Prima Berhad /
Chief Executive Officer, International

As we go through our lives each day, it is often easy to forget our blessings. At times, we get so caught up with our own lives and chasing material things that we forget that others may be suffering and we can all do something as individuals to help those around us who are in need.

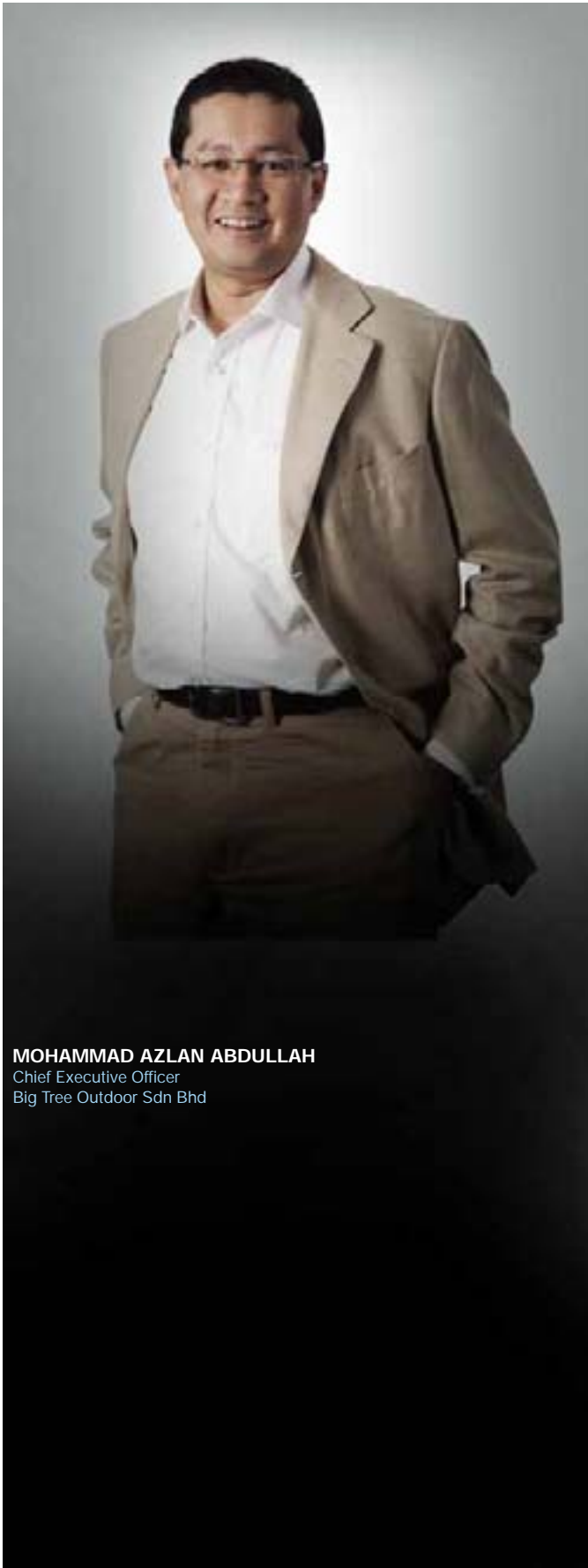
Social responsibility to me, essentially, is giving and not expecting anything in return. In the grander scheme of things, one doesn't have to move mountains to make a difference. I've always believed that when it comes to helping others, one need not look to the skies. Charity, as they say, begins at home but can be extended to the next person you see on the streets. It can be as simple as a smile, holding the door open for the person behind you, offering a seat to the person who needs it more than you do on a bus. These little gestures are done selflessly, yet the satisfaction derived leaves you feeling as though you're on top of the world. A meaningful act doesn't cost a thing.

We often don't realise how blessed we are until confronted by adversity, but we rarely even give any consideration for those who are constantly faced with challenges every moment of their lives. I would like to think that, as the group expands its footprints in the country, so do the number of hearts we've touched through responsible programming.

Therefore what I do within my means, is to inculcate a sense of responsibility towards the community from within the very brands that I champion at Media Prima. I see potential in each and every one of our employees, which is why I advocate social responsibility through direct participation by our staff and incorporate the element of 'giving back' through the content we produce and our activities.

On a more personal platform, I try my best to allocate some time to accommodate knowledge sharing sessions with students at the tertiary level and with corporate bodies. It has been a joy sharing the Media Prima story with them as I see this as an extension of succession planning, and ensuring that the next generation of managers and CEOs would be able to learn from the good and avoid the same mistakes we've made in the past.

On the home front, I try my best to instill positive values amongst my children and I constantly remind them that we are responsible for our actions. As William James once aptly put, 'Act as if what you do makes a difference. It does.'



MOHAMMAD AZLAN ABDULLAH

Chief Executive Officer
Big Tree Outdoor Sdn Bhd

"You must be the change you wish to see in the world."

— Mahatma Gandhi

I have always believed that changes can only occur when one really wants it to happen. We, as part of a society can also contribute to this course in many ways as well. It does not mean that changes transpire through our attitude, behavior or matters associated to it but also has a lot to do with contribution for the society.

A lot has been said about social responsibility. Into what extend all of us have been doing it?

I took my family recently to the Pondok Penyayang Raudhah, located in Gombak and offered our service to clean the place. It was a busy day job but the satisfaction after completing the chore was beyond description! I know this is just a small contribution from me and my family. More important are the satisfaction and joyfulness that shone through each one of the orphanage is beyond description! I hope with this small contribution, my children would be able to follow our footsteps and to do the same thing when they grow up. I also hope that they will feel grateful for all things they have, especially when they still have their parents around them.

Keeping the environmental green is also part of the social responsibility. I have often emphasized on my team to be more of an environmental friendly type, and to minimized wastage by using recycled paper or reduce electricity consumption in office.

We have also introduced the E-COC (Certificate of Completion) system, where clients need not print hardcopies to view their outdoor advertising campaign. We hope with the introduction of this system, we can save tons of papers and ink.

On a bigger scale, we are also looking at the possibility of making shopping bags from the recyclable vinyl used for large printing on billboard and to utilize energy saving equipment to illuminate on big advertising panels at night.

There are many ways for us to contribute for the society, as a team or individually. For example, we can be courteous while driving or be polite to the elderly. A socially responsible act is not restricted only to giving alms or providing assistance for the less fortunate.

It is the sincerity in doing it.



AMIL IZHAM HAMZAH

Group Chief Financial Officer, Media Prima Berhad

Tengku Adrinna and Sharifah Nuradibah, of Media Prima's Corporate Finance, spent most of their waking hours in the second half of 2009 selling our Philippines subsidiary Primedia Inc., buying Malaysia's Number 2 outdoor advertising outfit Kurnia and taking over the majority stake in the nation's oldest newspaper publisher The New Straits Times Press.

Both are children of the eighties; the decade that saw Spandau Ballet gave to us the smooth sultry 80s Brit-pop defining ballad "True". As if taking cue from the Spandau boys, our young lass worked hard and showed enormous drive in successfully executing the above transactions while displaying a mind very much of their own.

And did we, the Management, immerse ourselves in micro-managing these two? No we did not – far from it really.

We have always known of the potential that resides within Adrinna and Sharifah. They are smart and decent people. What was needed from us was to provide the right setting that would nurture their self-belief and confidence to execute all three seemingly complex transactions.

We let them take charge of the process; by working closely with our advisors in executing the transactions, Adrinna and Sharifah were able to tie-in together their formal education with real-life experience, hence internalising within themselves the lessons learned.

We believe that the internalisation process brought the self-belief and confidence in themselves.

We gave them space and freedom to express themselves; to think on their own two feet, to disagree with widely-held conventions and to trust their judgment and simple common-sense.

We also hope that both would learn to make the most of what they have and continually to build from that. In other words, and as splendidly described by Charles Handy, "doing their best with what they are best at".

Thus, our role as mentors and coaches; that sometimes we may not have to do much, other than provide the right setting and environment for our chargers to succeed. We have to trust them and their innate ability to succeed in whatever they do. And provide a safety net should they falter in their pursuit.

As teachers in this game of life, it is our responsibility to nurture their talent. It's one of the most important things we can do for them, and one most pleasing for us.

I know this much is true...



AHMAD IZHAM OMAR

Executive Director, 8TV
Head, Radio Networks
Chief Executive Officer, Alt Media

One of the most unforgettable experiences that I have had dates many years back, when I was a young lad in the middle of completing my degree course in music.

I was a typical young man, full of dreams and ambitions, and with the energy and bravado to try and realise them. Even though I was on a study break, I was always racing to and fro, going to places to increase my knowledge and experience in my chosen field of music and the music business.

So you could imagine the annoyance I felt, during one hot day as I just got home from another busy schedule, when my mother yelled at me from the back where she was hanging up the wash, "Hey Izham! Mak Nab's granddaughter is visiting and she was wondering if you could give her a piano lesson or two!"

I groaned. Mak Nab was our neighbour and her granddaughter was a 6-year-old at that time. I was an impatient young man and felt annoyed that I was asked to do this. I had things to do, places to go, people to meet, mum!

But one look from her was enough for me to drag myself off the couch and walk over to Mak Nab's house and ring the bell.

The granddaughter came out and we went back to start our lesson on my mother's creaky old piano.

The first few minutes were quite torturous. I didn't know where to begin and she just kept looking at me with an innocent smile on her face. So I asked her what her favourite nursery rhyme was. I thought at least if I taught her a nursery rhyme she'll be happy and I can go back to wheeling and dealing in the music business.

Anyway, I soon started teaching her how to play her favourite nursery rhyme. What happened in the next few moments took me completely by surprise.

I played her the first few notes and expected her to just copy what I did. She did...but then she had this amazed look on her face. She couldn't believe that she was playing her favourite melody! She couldn't believe that she was making this "magic"!

This look of sudden epiphany combined with an innocent joy was something no amount of money could buy.

I then realised that this was not just yet another piano lesson. This was a "magical code" given to her, BY ME, to the wonderful joys of creation and music.

I stood back from the piano awhile, suddenly in awe of the importance of imparting knowledge. I immediately realised the knowledge I have should never be something I should trivialise. Knowledge is power. And the transferring of knowledge so that another human being may get his or her own power is the noblest work of all.

This important lesson is something I carry with me every day. I may not have done as much charity as the guy next to me, I may not have helped the poor, the injured, the people living in devastation as much as I should have, but when the opportunity to educate and to impart knowledge arises, I find myself pushing everything out of the way, and making sure I'll be there to do my bit.

To me, that's the greatest contribution I could give.

That day, when Mak Nab's granddaughter said a happy goodbye and skipped her way back to her grandmother's house, I smiled and sat back down on the sofa, feeling a satisfaction I have never felt before. That day she taught me so much more than I taught her.

I caught my mother looking at me and I swear there was a twinkle in her eye.



DATO' ANTHONY@ FIRDAUZ BUJANG

Chief Executive Officer, The New Straits Times Press (Malaysia) Berhad

Having been a reader of the News Straits Times from back in the days, I feel truly blessed today, to be given the golden opportunity to head such a dedicated team here at NSTP. To be able to rally round with the people's best interest at heart over the years since its establishment in 1845, the New Straits Times, I believe, has proven itself worthy of being tagged the "newspaper with a heart".

Over the years, I've witnessed the Group, taking the lead in helping the less fortunate around the country and on some occasions, around the globe, by means of bringing medical relief to the less fortunate,

When the Gaza strip was under siege by the Zionist Regime, the Group showed that it cared for the Palenstinians by initiating the NSTP Fund for Gaza. In just 60 days, the team's effort paid off when some staggering RM9.6 million was collected and gracefully handed over to Wisma Putra to ease the sufferings of the Palestinians.

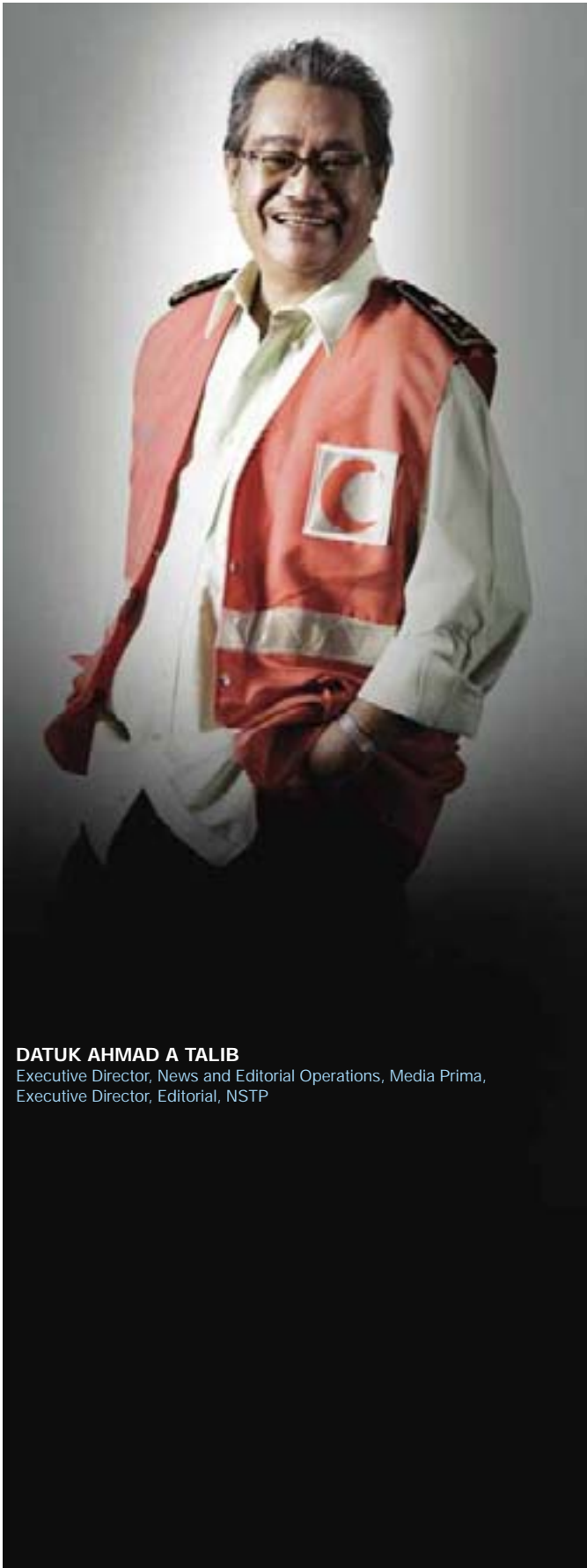
Another instance of the Group's social commitment in action was the setting up of the Tabung Bencana NSTP-Media Prima on Oct 1. Malaysians showed their caring side once again when a total of RM2.2 million was collected by end of December 2009 for the victims of Typhoon Ketsana in Vietnam and Philippines and the earthquake in Padang, Indonesia.

Apart from aiming at providing humanitarian relief, the NSTP has always positioned itself as a newspaper that not only informs and entertains but also educates the nation at large. This pursuit of educational excellence saw the NST School Sponsorship Programme repeat the success of the last three years in raising English standards among the young.

These initiatives mooted by the NSTP team, warms my heart, knowing that my objective in empowering them has not been in vain. Being at the forefront of this truly is a humbling experience. May the Group continue to bring a glimmer of hope to the uninspired and to those in need.

All these collective activities might not yet seem substantial to the outside world, but in my humble opinion, so long as impact has been made and hearts have been touched, I feel fortunate.

In engaging with social responsibility, I seem to share the sentiments of an English poet, Samuel Johnson - "He who waits to do a great deal of good at once, will never do anything".



DATUK AHMAD A TALIB

Executive Director, News and Editorial Operations, Media Prima,
Executive Director, Editorial, NSTP

I've always believed in sharing one's blessings with others. This can be very rewarding. There are many ways of doing this. Volunteering one's service in charity organizations is one way of giving back to society. In my case, I'm fortunate to have been able to do this domestically and abroad.

For example, late last year I joined volunteers to Kg Mat Daling, deep in the Taman Negara rainforest in Pahang. The kampong is four hours by boat from Kuala Tahan. The boat ride alone is an adventure! In the kampong, we spent one week organizing study groups for pupils, arranging community games and other activities with the kampong folks. Many of us stayed with foster parents. Every one of us learned many valuable lessons while we were there. Kg Mat Daling has a total population of only about 600 people. When we left, the whole village came out to wave us goodbye, many in tears.

International volunteering has its share of satisfaction too. I made a trip to Sri Lanka with the Malaysian Red Crescent after the tsunami. We dispensed medicines via a mobile clinic manned by Malaysian doctors. It was heartbreaking to see the damages everywhere. At one location, we were taken to inspect a destroyed village and saw human hair on the ground. Must have been a very painful experience for the village folks.

I also remember flying in a small aircraft from Subang airport to Bandar Aceh to deliver medicines, clothings and personal items shortly after the earthquake and tsunami. There were only four of us in the aircraft. When we landed, the smell of death was very much in the air. We only had time to unload our cargo. I made a dash to meet fellow volunteers at their base camp to see how they were doing. Were they scared? Yes. Would they want to return to their home in Malaysia? No. When can you return? *After the work is done.* These were the questions I asked my volunteers. Every time I asked them, I get the same answers. When you are surrounded by dedicated, unselfish and genuinely caring individuals, how can you not be a part of this band of volunteers?

I kept going back to Aceh after the tsunami. My last visit there was during Ramadhan '09 with the TV3 team for Singgah Sahur. Seeing the orphans, all dressed up for breaking of fast at Masjid Ar-Rahman and then joining them for sahur at their home was most enriching. It was a humbling experience.

Last year I also made a trip with Salam relief volunteers to Gaza. That was a totally different experience. Getting into Gaza itself was a challenge. When we finally managed to get in, we were exposed to daily threats of bombings. For 10 days, my volunteers and I met the victims of a war and aggression that they had no capabilities to counter. On some nights, we were forced to sleep with our boots on – ready to run should the need arises. We left Gaza with such a heavy heart, leaving behind new friends struggling to survive under the constant threat of death, kidnapping, rape and torture. Volunteering as a relief worker can be risky, but it teaches us to value and appreciate life's little mercies.

Datuk Ahmad A Talib is a trustee for Yayasan Salam Malaysia; the National Orphanage Foundation (YATIM); and a board member of the Malaysian Red Crescent.

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 will continue 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 2009:

- | | |
|---|---|
| <ul style="list-style-type: none"> Malaysian Corporate Governance Index 2009
(A survey conducted by the Minority Shareholders Watchdog Group (MSWG)) | <p>Media Prima received the following awards:</p> <ul style="list-style-type: none"> - Distinction Award - Best Mid-Capitalisation Company |
| <ul style="list-style-type: none"> Malaysia's 30 Most Valuable Brands 2009
(organised by the Association of Accredited Advertising Agents Malaysia) | <p>TV3 was ranked at 17th place.</p> |
| <ul style="list-style-type: none"> Entrepreneur and Cooperative Development Ministry (MECD) Awards 2009 | <p>Media Prima won
'Most Innovative Medium' Award.</p> |
| <ul style="list-style-type: none"> The BrandLaureate – SMEs Chapter Awards 2009 | <p>Big Tree Outdoor</p> <ul style="list-style-type: none"> - Best Brands in Media – Outdoor |
| <ul style="list-style-type: none"> Malaysia Leadership Awards 2009.
(organised by the Kuala Lumpur Malay Chamber of Commerce) | <p>Hot FM</p> <ul style="list-style-type: none"> - Best Brands in Media – Radio <p>Malaysia CSR Business
Leadership Award</p> |

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 2009.

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.

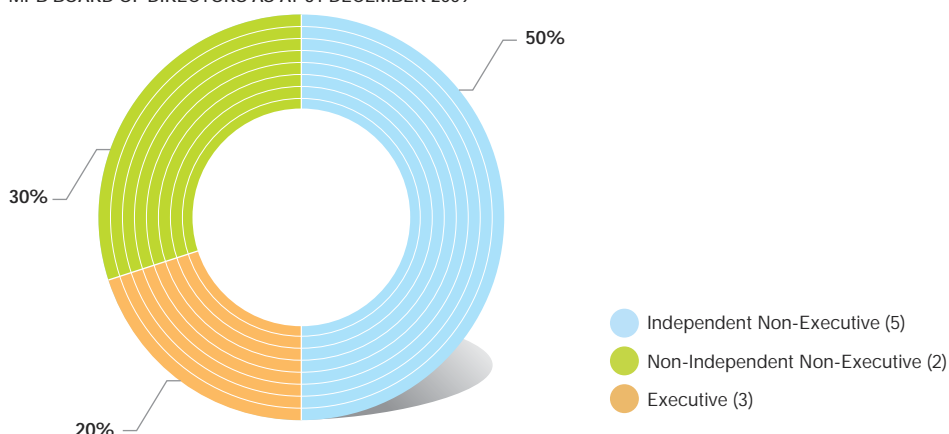
1.1 Board Composition and Balance

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.

As at 31 December 2009, 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 14 to 18 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.

MPB BOARD OF DIRECTORS AS AT 31 DECEMBER 2009



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.

Tan Sri Mohamed Jawhar 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.

1.3 Directors' Code of Ethics

Media Prima has on 28 August 2009 established a Directors' Code of Ethics to guide the Board in discharging its oversight role effectively. The Code of Ethic 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 2009 include:

Business Plan

- Limits of Authority for Primeworks Studios Sdn Bhd on 15 May 2009.
- New organisational and management structure of the Group on 28 August 2009.
- Revised Limit of Authority for Media Prima's Group on 26 November 2009.

Investor

- Proposed Investors/Corporate Communication Plan 2009 on 27 February 2009.

Financial

- Proposed revision to the Group's budget for FYE 2009 on 9 July 2009.

Acquisition / Investment

- Acquisition and implementation of the Integrated Broadcast System to replace the existing Broadcast Management System on 27 March 2009.
- Investment in the NSTP on 9 July 2009, 28 August 2009, 5 October 2009 and 26 November 2009.
- Acquisition of Kurnia Outdoor Group on 5 October 2009.
- Disposal of TV5, Philippines on 5 October 2009.

Employee Relations

- Salary adjustment on the 11th Collective Agreement with Kesatuan Sekerja Kakitangan Sistem Televisyen Malaysia Berhad on 28 April 2009.

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 2009, the Board of Directors have met eleven (11) times as illustrated below:

DATE OF BOARD MEETING	ATTENDANCE BY DIRECTORS			TOTAL NUMBERS
	EXECUTIVE DIRECTOR	NON-INDEPENDENT NON-EXECUTIVE DIRECTOR	INDEPENDENT NON-EXECUTIVE DIRECTOR	
27 February 2009*	3	1	4	8/9
27 March 2009**	4	1	4	9/9
28 April 2009**	3	1	4	8/9
15 May 2009*	4	1	3	8/9
9 July 2009**	4	1	4	9/9
28 August 2009*	4	1	4	9/9
5 October 2009**	3	2	4	9/10
28 October 2009**	2	2	4	8/10
26 November 2009*	3	1	5	9/10
17 December 2009**	3	2	3	8/10
23 December 2009**	3	2	4	9/10

* Scheduled Meeting

** Special Meeting

Details of the Board movement and attendance at meetings for financial year ended 31 December 2009 are set out below:

DIRECTORS	DESIGNATION	APPOINTMENT	ATTENDANCE
Datuk Johan Bin Jaaffar*	Executive Chairman	30 April 2009	3/3
	Non-Independent Non-Executive Chairman	1 September 2009	5/5
Dato' Amrin Bin Awaluddin	Group Managing Director	1 September 2009	5/5
Tan Sri Mohamed Jawhar	Independent Non-Executive Director	30 August 2006	10/11
Dato' Gumuri Bin Hussain	Independent Non-Executive Director	29 April 2008	9/11
Dato' Abdul Kadir Bin Mohd Deen	Independent Non-Executive Director	29 May 2007	10/11
Tan Sri Lee Lam Thye	Independent Non-Executive Director	18 August 2003	10/11
Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	Independent Non-Executive Director	4 September 2009	4/5
Shahril Ridza Bin Ridzuan	Non-Independent Non-Executive Director	22 October 2001	10/11
Dato' Sri Ahmad Farid Bin Ridzuan	Executive Director	30 August 2006	10/11
Datuk Ahmad Bin Abd Talib	Executive Director	1 July 2009	6/7
Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak**	Chairman/Independent Non-Executive Director	5 December 2003	3/3
Dato' Abdul Rahman Bin Ahmad***	Group Managing Director/ Chief Executive Officer	22 October 2001	6/6
Datuk Hj Kamarulzaman Bin Zainal****	Executive Director	30 August 2006	3/4

* Datuk Johan Bin Jaafar was appointed as Executive Chairman on 30 April 2009 and redesignated to Non-Independent Non-Executive Chairman effective 1 September 2009

** Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak resigned with effect from 28 April 2009

*** Dato' Abdul Rahman Bin Ahmad resigned with effect from 31 August 2009

****Datuk Hj Kamarulzaman Bin Zainal resigned with effect from 30 June 2009

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 and ICT activities
- 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

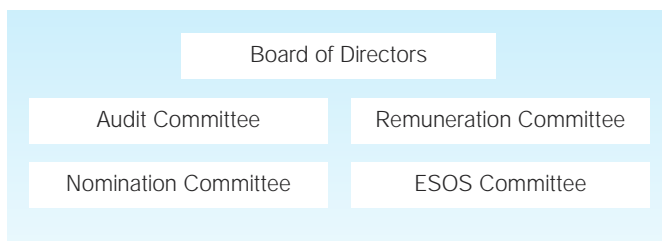
The Board views directors' training as an integral element of the process of appointing new directors. The Nomination Committee ensures that there is an induction and education programme for new Board members.

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 2009, 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. Training programmes attended include the Board of Directors Strategic Review and Training, Managing Corporate Merger & Acquisition, 16th World Editors Forum, Strategic Corporate Planning and "From Public Listed To Private Limited: Redefining Directorship".

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
• Dato' Gumuri Bin Hussain <i>Chairman</i>	5/5
• Tan Sri Lee Lam Thye	5/5
• Tan Sri Mohamed Jawhar	4/5
• Dato' Abdul Kadir Bin Mohd Deen <i>appointed w.e.f 3 June 2009</i>	3/3
• Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak <i>resigned w.e.f 28 April 2009</i>	1/1

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 47 to 52.

NOMINATION COMMITTEE (NC)

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

MEMBER	ATTENDANCE
• Dato' Fateh Iskandar Bin Tan Sri Dato Mohamed Mansor <i>Chairman</i> <i>appointed w.e.f 24 February 2010</i>	N/A
• Tan Sri Lee Lam Thye	2/2
• Tan Sri Mohamed Jawhar	2/2
• Dato' Abdul Kadir Bin Mohd Deen	2/2
• Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak <i>resigned w.e.f 28 April 2009</i>	1/1

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.
- NC held two (2) meetings on 28 April 2009 and 28 August 2009.

REMUNERATION COMMITTEE (RC)

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

MEMBER	ATTENDANCE
• Dato' Fateh Iskandar Bin Tan Sri Dato Mohamed Mansor <i>Chairman</i> <i>appointed w.e.f 24 February 2010</i>	N/A
• Dato' Abdul Kadir Bin Mohd Deen <i>Chairman</i>	3/3
• Tan Sri Lee Lam Thye	3/3
• Shahril Ridza Bin Ridzuan	3/3
• Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak <i>resigned w.e.f 28 April 2009</i>	2/2

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, CEO and other designated executive management including, where appropriate, bonuses, incentives and share options.
- To design the remuneration package for all Executive Directors, CEO 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.
- RC held three (3) meetings in 2009, on 27 February 2009, 28 April 2009 and 28 August 2009 respectively.

EMPLOYEE'S SHARE OPTION SCHEME (ESOS) COMMITTEE

ESOS Committee was established on 27 August 2004.

MEMBER

- Dato' Abdul Kadir Bin Mohd Deen *Chairman*
- Dato' Fateh Iskandar Bin Tan Sri Dato Mohamed Mansor
appointed w.e.f 24 February 2010
- Dato' Amrin Bin Awaluddin *appointed w.e.f 1 September 2009*
- Dato' Abdul Rahman Bin Ahmad *resigned w.e.f 31 August 2009*

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 did not hold any meeting in 2009.

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 of 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 Director 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 Board's 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 key performance indicators (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 2009, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:

Remuneration (RM)	Executive Directors	Non-Executive Directors	Total
Fees - Media Prima	–	281,288	281,288
- Media Prima Subsidiaries	–	190,068	190,068
Salary	2,099,723	–	2,099,723
EPF	475,475	84,400	559,875
Bonus	231,516	42,948	274,464
Allowance	326,000	444,004	770,004
Compensation for Loss of Office	778,000	–	778,000
Benefits-in-kind	144,354	104,629	248,983
Total RM	4,055,068	1,147,337	5,202,405

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:

Remuneration Band	Number of Directors	
	Executive	Non-Executive
Less than RM 50,000		1
RM 50,001 – RM100,000		5
RM 150,001 – RM200,000	1	
RM 250,001 – RM300,000		1
RM 300,001 – RM 350,000	1	
RM 500,001 – RM550,000		1
RM1,050,001 – RM1,100,000	1	
RM1,200,001 – RM1,250,000	2	
Total	5*	8**

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

* 2 Executive Directors resigned during the year

** 1 Independent Non-Executive Director resigned during the year

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 GMD, 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 2010 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relation activities for 2009. Selected analysts, shareholders and fund managers were invited to participate in the survey. Media Prima has scored an overall score of 4.02 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. 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 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 www.mediaprima.com.my. 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.

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

Name	Designation	Related Matters	Telephone	Facsimile
Amil Izham Hamzah	Group Chief Financial Officer	Financial/Investor relations	603 77266508	603 77261502
Noor Alina Mohd Faiz	Group General Manager, Legal & Secretarial	Legal	603 77291345	603 77280787
Eliza Mohamed	Group General Manager, Corporate Communications	CSR & Other queries	603 77252135	603 77273014
Sere Mohammad Mohd Kasim	Group General Manager, Corporate Governance and Risk Management	Internal Control and Risk Management	603 77260897	603 77270719
Zulkifli Mohd Salleh	Group General Manager, Stakeholder Management	Stakeholder Management	603 77260884	603 77292444
Laili Hanim Mahmood	Group General Manager, Regulatory Affairs	Regulatory Compliance	603 77260891	603 77261246

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 39 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 2009.

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 47 to 52 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 25 February 2010.

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 2009.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

- (a) The Company launched the Media Prima Berhad's Employees' Share Options Scheme (MPB ESOS*) on 11 January 2005 and as at 31 December 2009, three (3) offers have been made to employees whereas:
 - (i) under the First Offer, a total of 22,837,800 ordinary shares of RM1.00 each were offered at an Option Price of RM1.55 to eligible employees;
 - (ii) under the Second Offer, a total of 24,034,000 ordinary shares of RM1.00 each were offered at an option price of RM1.46 to eligible employees;
 - (iii) under the Third Offer, a total of 5,000,000 ordinary shares of RM1.00 each were offered at an option price of RM2.23 to eligible employees.

There was an issuance of:-

- (i) 333,000 ordinary shares of RM1.00 each pursuant to the exercise of the MPB ESOS at the exercise price of RM1.46 per share ;
- (ii) 272,600 ordinary shares of RM1.00 each pursuant to the exercise of the MPB ESOS at the exercise price of RM1.55 per share.

3. DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any Depository Receipt Programme in the financial year ended 31 December 2009.

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 2009 is set out on page 139 of this Annual Report.

5. PROFIT GUARANTEE

There were no profit guarantee received by the Company during the financial year ended 31 December 2009.

6. LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on page 205 to 211 of this Annual Report. There was no revaluation of properties of the Company during the financial year.

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 14 July 2009, the Company issued RM30.0 million nominal value three (3) months CP respectively to investors who fall within the categories of persons specified in Schedule 2, Schedule 3 and Schedule 5 of the Securities Commission Act, in accordance with the Trust Deed governing the CP dated 28 August 2007.

The tenure of the CP Programme is up to seven (7) years from the first issue date.

Proceeds from the issuance of RM30.0 million CP have been utilised for MPB's working capital requirements.

11. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF REVENUE NATURE

There were no RRPTs during the financial year ended 31 December 2009.

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 environment and structure for the proper conduct of the Group's business operations. The Group's control environment comprises of the following components:

• 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 Group's Senior Independent Director is also a member of the Audit Committee. 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 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.

• 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 such as policy approval, awarding of projects and capital and operational expenditures. It serves as a control whereby a cross-check system has been incorporated to minimize 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 26 November 2009 approved the revised LOA for selected expenditures and transactions for the Group and its subsidiaries. The need to revise the LOA for the selected expenditures and/ or transactions arises in line with the effort to enhance transparency, prudent management and good corporate governance practice.

• 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 procedure developed and enforced during the year include Blackberry Usage Policy and CGRM is currently in the midst of developing policies such as Independent Contractor, Branded Content, Demise of National Leader, Facilities Management and Talent Management Unit.

• Human Resources Policy and Code of Ethics

The Group has in place a comprehensive Human Resources Policy and Code of Ethics approved by the Board that set the tone of control consciousness and employee conduct. The Code of Ethics is communicated to and acknowledged by all employees and compliance with this Code is mandatory. There is also in place supporting procedures for the reporting and resolution of actions contravening these policies.

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:

- Leadership programme for top and middle management with Motorola University.
- Harvard 3rd ASEAN Senior Management Development Programme.
- John C. Maxwell's Leadership Resilience – Winning In Challenging Time.
- Asia Pacific Institute for Broadcasting Development (AIBD) Workshop on Edutainment/Infotainment TV Programme.
- Asia Film Week 2009 attended by employees from Primeworks Studios.
- A study visit to Warner Studio, Sony Pictures and Microsoft attended by Senior Management of Management Information Services.
- Basic First Aid certification & CPR Training.

As part of the human capital development initiative, the Group has also embarked on a structured two year Business Executive Programme designed to develop talent among the high achieving fresh graduates to deliver value to the organisation. The Business Executive will go through a series of attachment to gain exposure in different core areas in Media Prima's line of business.

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 is well equipped and ready to assume key positions within the organisation. The programme is built on the development of talent pools, not only for upward movement but for lateral movement.

There are proper guidelines for hiring and termination of staff in place and a formal training programme has been established to ensure staff are adequately trained in carrying out their duties. An established performance management system, which is linked to and guided by Key Performance Indicators (KPI) and accountability, is also in place and is reviewed on an annual basis. A Leadership Assessment & Evaluation has been conducted in mid year of 2009 as part of human capital development process. A consultant has been engaged to conduct a 360 Degree Assessment to assess management leadership strengths and identify areas of improvement.

As part of preventive measures the Group had also conducted quarterly health awareness program which include seminar on 'Managing Stress for a Healthier Mind and Body' and activities such as aerobic exercises, blood donation as well as health check for staff.

• Spiritual and Motivational Activities

As part of a soft control, the Group organises regular religious discourse and weekly Quran recital sessions to heighten the employees' spirituality. The Group provides subsidy for employees who plan to perform Haj or Umrah. The group also conduct teambuilding and motivational training sessions for employees to better function and relate to one another in the work place. A "Rebranding for Peak Performance" training was designed specifically to cater for employees to unleash their real potential in relation to work environment, home and community as a whole via the 3R (Rest, Recupere & Recharge) treatment.

• 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.

- **ICT Strategy Blueprint**

In line with the Group's expansion plan to be an integrated media powerhouse, Media Prima has initiated a three year ICT Blueprint in 2007 to address the Group ICT requirements. A global consulting firm with strong credentials and experience in ICT projects for broadcasting industry had been tasked to formulate the ICT Blueprint. 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 Blueprint initiatives and reports to the Audit Committee on a quarterly basis. The ICT initiatives completed in 2009 include:

- Project Management & Inventory System – ICE system
- Facilities Management System
- Integrated Broadcasting System – User Acceptance Phase
- Financial System Enhancement on E-Procurement module and Prophix Financial reporting
- Disaster Recovery

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- Setting up of various Management Committees including the Programme Committee, Group Risk Management Committee, Tender Committee, ICT Steering Committee and Recovery Executive Committee with clearly defined terms of reference.
- A detailed budgeting process where each business unit submits a business plan annually for approval by the respective Board.
- 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 members of the Board and 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.

SUBSIDIARY COMPANY

The state of internal control of The New Straits Times Press (M) Berhad, a subsidiary company of Media Prima listed on the Bursa Malaysia Securities Berhad (previously an associated company), has been disclosed in the Statement on Internal Control made by their Board of Directors and is excluded from this Statement. However, some of the directors of Media Prima are appointed to NSTP's Board, attend its board meetings and review the key financial information of the company. These directors report to the Media Prima Board in the event that the Company does not appropriately manage significant risks.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 25 January 2010.

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 Berhad for the year ended 31 December 2009. 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.

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 Berhad 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 Board has approved the Risk Management Framework for the Group and the formation of the Group Risk Management Committee (GRMC) on 12 December 2003. The GRMC is responsible for driving the Risk Management Framework. 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 is chaired by the Group Managing Director and includes the Group Chief Executive Officer TV Networks, Group Chief Financial Officer, Group General Manager Human Resource, Group Chief Technology Officer and Group General Manager Corporate Governance and Risk Management (CGRM) with representatives from each operating unit attending, as required. The GRMC meets quarterly to consider the risks identified and the risk mitigation strategies and control processes to be recommended. Issues deliberated at the GRMC meetings are recorded in minutes of meetings and cascaded to management for their action.

The Audit Committee reports to the Board significant changes in the business and the external environment, which affect key risks. The Board monitors the implementation of the risk strategies and any changes to the risk profiles are highlighted to the Board for consideration. In this way, the Board will ensure that the risk strategies are progressing according to the implementation plan.

RISK MANAGEMENT OVERSIGHT STRUCTURE

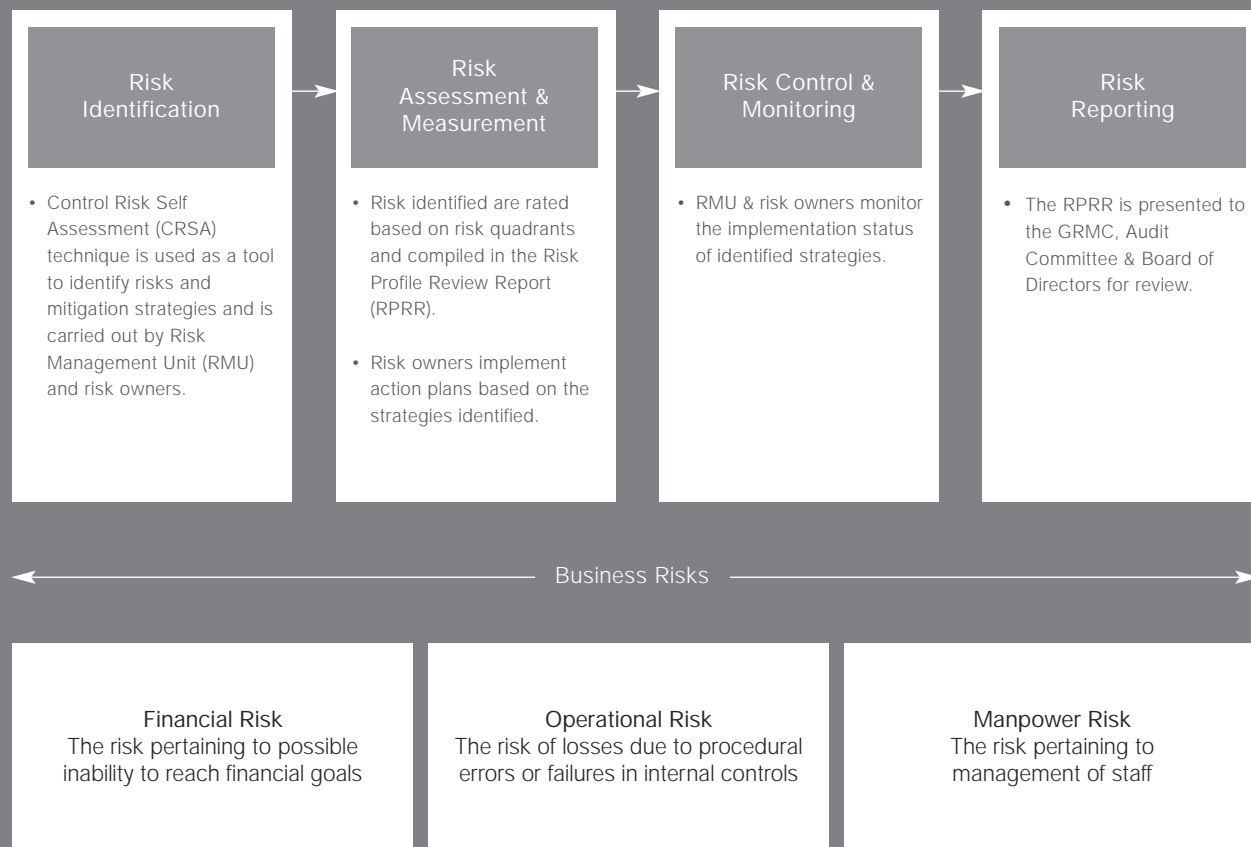


Statement on Risk Management

cont'd

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, avoid or eliminate these risks. The process encompasses assessments and evaluations at operational level before being examined on a Group perspective.

RISK MANAGEMENT PROCESS



The Group has developed an enterprise wide risk profile through the Control and Risk Self-Assessment method facilitated by CGRM. 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.

During the year, the Group continued to enhance and evaluate the risk management framework for efficacy and coherence. Risk assessment at departmental level has been carried out and will continue to do so for every department and operating company within the Group.

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 are conducted by the Risk Management Unit in collaboration with identified stakeholders, for the introduction of a new policy or if there had been an unusual degree of non-conformance. The following awareness sessions were conducted during the year:

- Public Donations Policy;
- Live Programmes Policy; and
- Advances & Claims Policy.

- **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:

- Finance Department;
- Legal Department;
- Project Management Unit;
- Brand Management Group;
- Chinese Entertainment; and
- The Talent Unit Sdn Bhd.

- **Corporate Governance and Risk Management Web Portal**

The 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 has been established since 2006 and is accessible to all employees. It acts as an interactive platform to welcome feedbacks on all relevant issues. During the year, CGRM had updated the web portal to incorporate the revised Limits of Authority to ensure an optimum structure for efficient decision making.

- **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. A Business Continuity Plan (BCP) for the Group has been established since 2005 and is being continuously reviewed to reflect changes in risk profiles and organisational structure. This Plan focuses on the sudden inability for television and radio networks to provide services to its stakeholders because of 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.

Among the measures taken during the year was the commission and construction of a playout station for radio transmission at an off-site location. Management Information Services (MIS) had also conducted a disaster recover simulation to ensure all critical IT applications can be recovered in the event of a disaster. The simulation was performed at the vendors premises who was appointed to provide managed services for its 'warm site' facilities.

- **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 BVQI 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 ground events. BVQI will conduct an overall OSH audit on Media Prima in 2010 to renew and transfer the certification to Media Prima.

- **IT Security Master Plan**

In view of the Group's increasing use of IT as a business enabler and the increasing risk associated with cyber threats, the ICT Strategy Committee Board 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 have been taken to ensure that the CISP is adhered to and applied for IT quality assurance:-

- Information Security Awareness sessions conducted to educate users on their roles and responsibilities in ensuring security measures are applied throughout their daily operations;
- Automated system monitoring and management to measure system performance, availability and capacity planning was implemented;
- Anti-software piracy exercise conducted during the year; and
- System firewall was upgraded to ensure minimal downtime on the internet infrastructure.

- **New investments**

Risk assessment are included in business proposals for acquisitions and investments in new business ventures in order to ensure that decisions are made after assessing the significant risks associated with the proposed investments. During the year, a risk assessment had been performed prior to the acquisition of Kurnia Outdoor Sdn Bhd.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 25 February 2010.

1. MEMBERS OF THE AUDIT COMMITTEE

DATO' GUMURI BIN HUSSAIN
Chairman / Independent Non-Executive Director



Member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and is also a Fellow of the Institute of Chartered Accountants in England and Wales.

TAN SRI MOHAMED JAWHAR
Independent Non-Executive Director



DATO' ABDUL KADIR BIN MOHD DEEN
Independent Non-Executive Director



TAN SRI LEE LAM THYE
Independent Non-Executive Director



2. ATTENDANCE AT MEETINGS

The Audit Committee held a total of five (5) meetings during the financial year 2009 and the details of attendance of the Committee members are as follows:

	22 nd ACM 23 Feb 09	23 rd ACM 15 May 09	24 th ACM 24 Aug 09	Special ACM 13 Oct 09	25 th ACM 23 Nov 09
Dato' Gumuri Bin Hussain Chairman	✓	✓	✓	✓	✓
Tan Sri Lee Lam Thye	✓	✓	✓	✓	✓
Tan Sri Mohamed Jawhar	✓	✓	✓	X	✓
Dato' Abdul Kadir Bin Mohd Deen appointed w.e.f 3 June 2009	NA	NA	✓	✓	✓
Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak resigned w.e.f 28 April 2009	✓	NA	NA	NA	NA

ACM : Audit Committee Meeting
NA : Not Applicable
✓ : Attend
X : Absent with Apologies

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 Company Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes.

The Audit Committee Chairman submits a summary of matters discussed to the Board of Directors after each 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 23 February 2009 and 24 August 2009 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 (Media Prima) 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.

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.
6. 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 (if any);
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:

Duties and responsibilities of the Audit Committee

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.
2. 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; and
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

1. 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 ongoing 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 Corporate Governance, 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; and
 - Applicable approved accounting standards.
- Reviewed the audited financial statements of MPB and its subsidiaries with the Group Chief Financial Officer and the external auditors before recommending to the Board for their approval.

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 2009.
- 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.

4.4 Internal Audit

- Reviewed the internal audit plan for the financial year ended 31 December 2009 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 Training

- Members of the Audit Committee have attended seminars and/or training programme in the year 2009 including "From Public listed to Private limited: Redefining Directorship" and Board of Directors' Workshop conducted internally.

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 which was revised in February 2008 to better reflect 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 14 assignments. Out of this, 12 audits were as per the Audit Plan approved by the Audit Committee and 2 audits were ad-hoc audit engagements. The audit conducted in 2009 covers a wide range of operational areas within the Group which include operational review of Media Prima overseas' subsidiaries in Ghana and investment in Philippines, Credit Control, Corporate Governance, Creative Services Department, Entertainment and Sport production, Information Security and Advertising & Promotion for TVN/RN. The corresponding reports of the audits undertaken were presented to the Audit Committee and forwarded to the Management for attention and necessary actions.

Internal Audit was also in attendance at major competition based programmes organised by the Group Television Networks such as Anugerah Juara Lagu, One in A Million, Ultimate Power Group Pesona Nona, Gadis Melayu, Mentor, MyStarz LG and Idola Kecil to provide independent verification and confirmation of the competitions results and/ or SMS votes.

Internal Audit attended stock-takes and assets disposal exercise within the Group to ensure due process has been observed and complied with according to formalised Policies and Procedures. Ground events organised by the Group, such as Karnival Jom Heboh and Sua Rasa were also participated by the Internal Audit for observation and identification of areas for process improvements. The total operations cost of the department for 2009 was RM999,667.

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 4 years in a row.

To improve customer service and quality of audit work, the department has undertaken the following initiatives:

- 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 the following training and/or conferences during the year, in order to enhance their skills and knowledge and to continuously provide value added services to the Group:

- Business Process Mapping For Business Improvement and Profitability
- Financial Statement Fraud : Prevention and Detection
- Governance Risk Compliance Management
- 5th Asia Pacific Audit and Governance Summit 2009
- Introduction to Control Self Assessment
- Leadership Resilience : Winning In Challenging Times Workshop
- Occupational Safety and Health Awareness
- "Peak Performance and Organizational Success : The Secret Law of Attraction and Beyond" Workshop

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.

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 25 February 2010.

GROUP					
	Year ended 31 Dec 2009 RM'000	Year ended 31 Dec 2008 RM'000	Year ended 31 Dec 2007 RM'000	Year ended 31 Dec 2006 RM'000	Year ended 31 Dec 2005 RM'000
Revenue	744,029	781,290	691,339	534,689	399,689
Profit Before Taxation	275,844	159,264	149,095	105,651	64,317
Net Profit After Taxation	194,800	72,446	117,440	82,994	54,794
Net Profit Attributable To Equity Holders	194,800	86,023	117,440	80,282	56,245
Minority Interests	–	13,577	–	(2,712)	1,451
Share Capital	945,346	853,811	842,183	763,852	600,109
Shareholders' Funds*	958,107	551,302	559,613	314,131	36,470
Earnings Per Share (sen) (Basic)**	23	10	14	11	9
Return on Shareholders' Funds (%)	20%	13%	21%	26%	150%
Net Assets Backing Per Share (RM)	1.01	0.64	0.66	0.41	0.06
Number of Employees ***	4,605	2,217	2,061	1,871	1,779

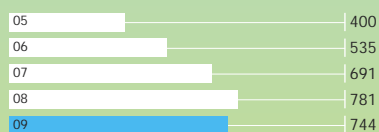
* Shareholders' Funds : Share Capital + Share Premium + Other Reserves + Accumulated Losses

** Earnings per Share (Basic) : Net Profit After Taxation and Minority Interests of RM194,800,000 (2008 : 86,023,000) and the weighted average number of ordinary shares in issue of 857,648,000 (2008 : 845,483,000)

*** 2009 number of employees includes employees of newly acquired subsidiaries (2008 number of employees include employees of MPB Primedia Inc.)

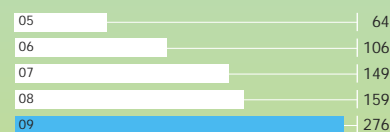
GROUP REVENUE

RM' Million



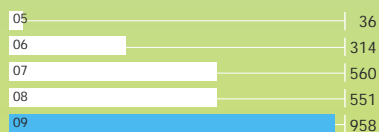
GROUP PROFIT BEFORE TAXATION

RM' Million



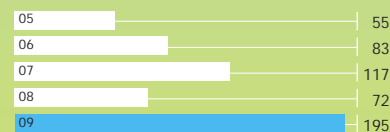
GROUP SHAREHOLDERS' FUND

RM' Million



NET PROFIT AFTER TAXATION

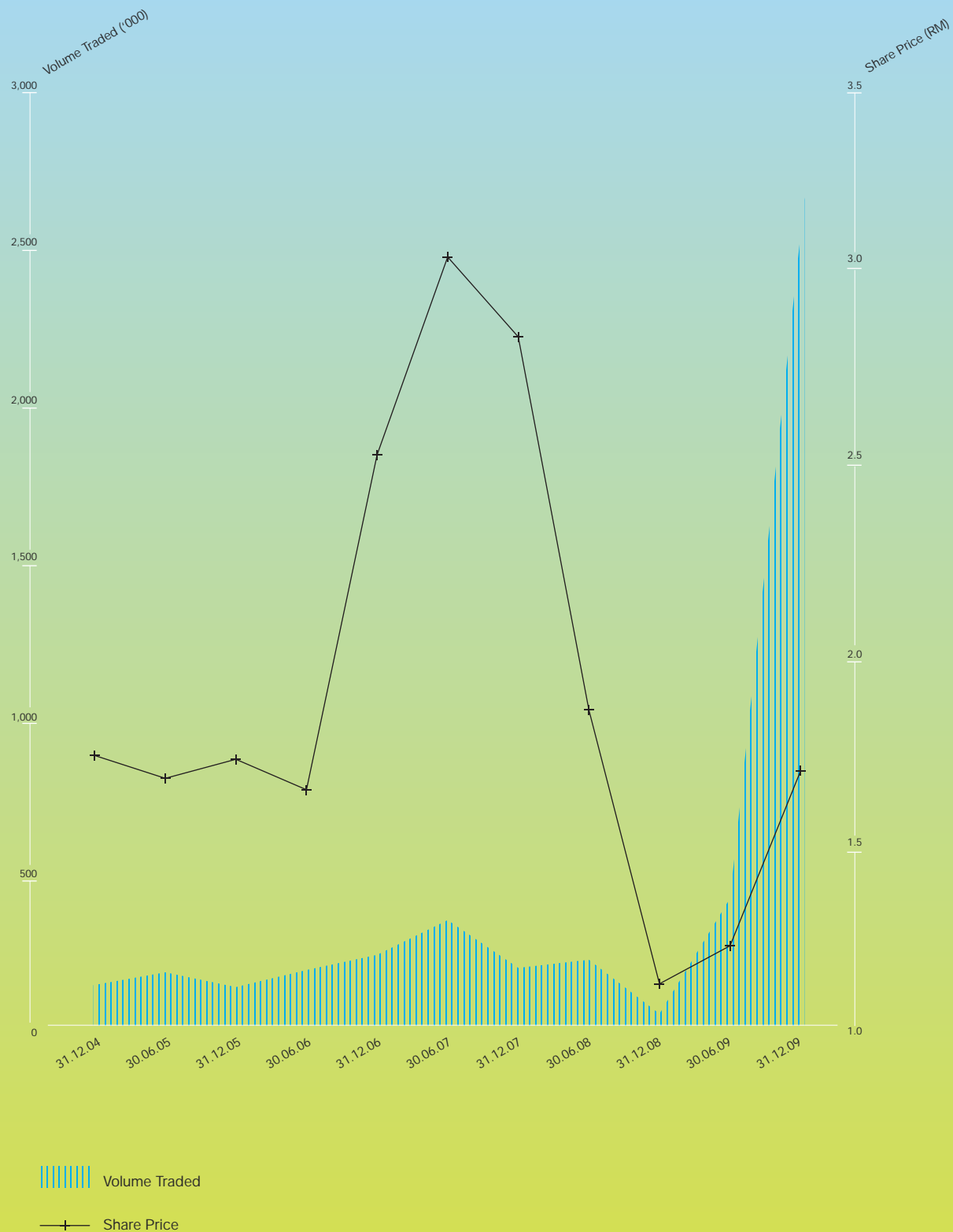
RM' Million



GROUP EMPLOYEES

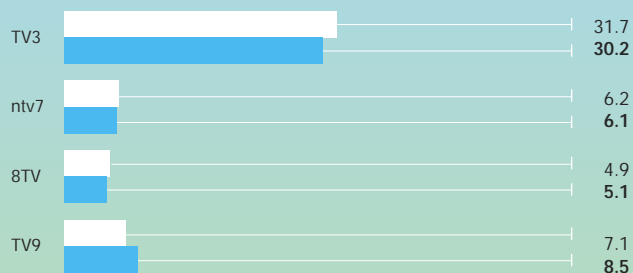
No. of Employees



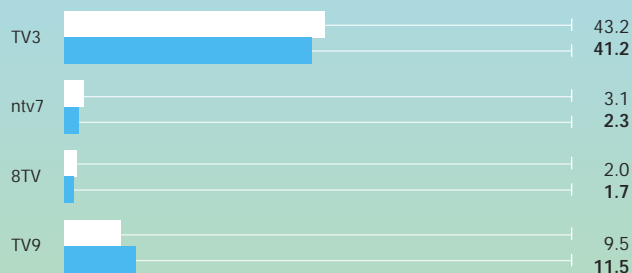


AUDIENCE SHARE BY DEMOGRAPHIC (ALL TV)

TOTAL 6+ (UNIVERSE :17,333,371)
% Viewership Share

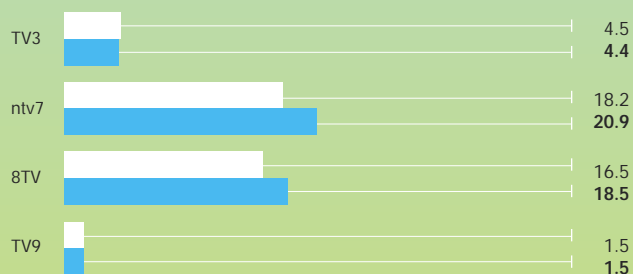


MALAY 6+ (UNIVERSE :10,799,144)
% Viewership Share

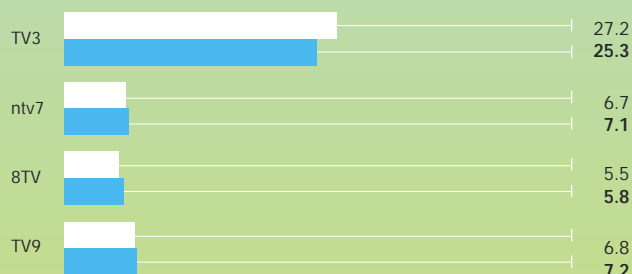


● 2008
● 2009

CHINESE 6+ (UNIVERSE :4,782,922)
% Viewership Share

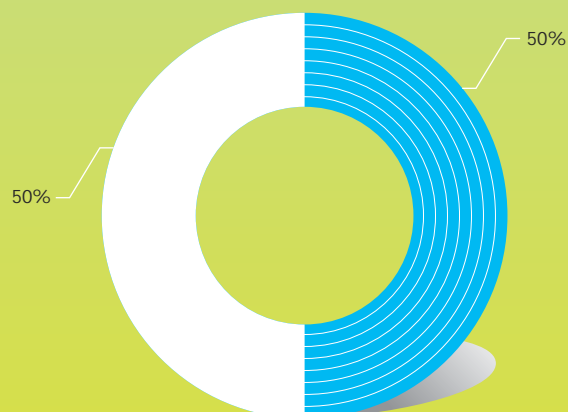


URBAN 6+ (UNIVERSE :11,337,132)
% Viewership Share



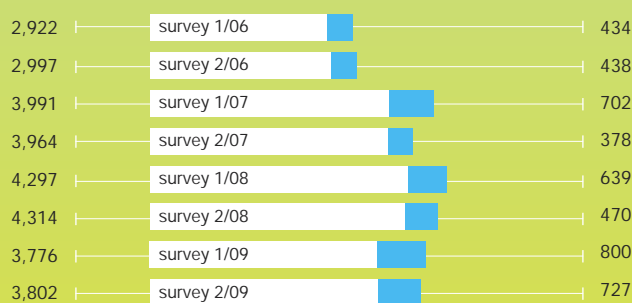
AUDIENCE SHARE BY DEMOGRAPHIC
(ALL TV) 2009, TOTAL6+

● Media Prima
● Others



LISTENERSHIP - RADIO NETWORK
Reach 000's all people 10+

● Hot FM
● Fly FM







More Than Just Information

When our viewers and readers tune in to our stations or open a newspaper, they expect to be informed, educated and kept up to date with the latest information, which we offer through our wide variety of content and media platforms. With something for everyone – from on air and online to out of home and on your mobile – Media Prima is well placed to engage the entire nation.

IN PURSUIT OF THE PEAK OF CORPORATE EXCELLENCE

I love to use an analogy of a mountain climber attempting to summit the world's highest mountain, the Everest. It is an arduous task demanding true grit, determination and brute strength, not to mention meticulous planning and lots of luck. There is a limit to what the body can endure on such heights. Even the most seasoned climbers succumbed to mountain sickness or worse. One can easily acclimatise at a height below 7,000 meters but above that, the human body deteriorates with terrifying rapidity in rarified air. This is the "Todeszone" in German or the "Death Zone", coined by Edouard Wyss-Dunant, a Swiss physician in his book, *The Mountain World* back in 1952.

DATUK JOHAN JAAFFAR
CHAIRMAN





When the legendary mountaineer Reinhold Messner reached the top of the Everest in 8 May 1978 without supplemental oxygen, the mountaineering fraternity was, to say the least shocked and in a state of disbelief. Even Sir Edmund Hillary, one of the first two climbers who successfully summited the Everest was skeptical. It was a feat never thought to have been possible. Messner did not only climb the Everest without supplemental oxygen, not once but thrice, but he became the first human to summit all 14 peaks above

8,000 meters in the world, and incredibly all without using supplemental oxygen.

I am an outdoor sports enthusiast. I climb hills and mountains. I have never been to two of the highest points in Malaysia, the peaks of Gunung Tahan or Mount Kinabalu, but I have been to spots higher than that. I liken one's journey in life as that of mountain climbing with its travails, despairs and challenges. And I like to use the hills and mountains as a metaphor for any company's quest for greatness and excellence.



The journey taken by Media Prima Berhad (Media Prima) is not unlike scaling a treacherous mountain. True, it has been in existence as a company for about eight years, but the actual journey has been far longer, replete with an adventure unlike any other. The New Straits Times started more than 167 years ago, its role in reshaping the meta-narratives of this nation hardly ever questioned. The newspapers under its stable are more than just chroniclers of



our people and history; they are also part of an institution unparalleled in the land. True, the journey of TV3 is only slightly more than 25 years, but it has helped redefine not only the history of the nation's broadcasting, but a part of the national lexicon not to mention its psyche.

Media Prima is the largest fully integrated media company in the land not by default. We worked hard to be what we are today. It is not by accident that we have become a force to be reckoned with. We have faced insurmountable odds to be where we are today. We have adapted, just like the determined climbers on the treacherous slopes of the world's highest mountains. There were times we were in the Death Zones, the danger of "cerebral oedema" was real, not unlike what the climbers faced on those unpredictable mountains. There were dangers of cold, avalanches and injuries. We have gone through all those, and more. There were times when we were asked to make huge sacrifices, when we were demanded to have the right mental attitude and our skills were very much tested.

The media business is not for the weak-hearted. The challenges are real and the road is littered with minefields. Only the fittest will survive. A misstep, misjudgment and any recklessness will see us reeling uncontrollably down the slopes perhaps to certain death. We were battered and shocked, but we rebounded, emerging even stronger. Media Prima as we know it today have gone through very tumultuous events in the past.



Chairman's Statement

cont'd

We were once at the verge of financial ruin and catastrophe. Blame it on the economic upheavals in the late 1990s. Many had written us off. We could have been a footnote in the annals of corporate realm in the country. We survived simply by through the power of innovation combined with a sense of realism.

In our business, creativity and innovation are almost everything. We are in the business that demands nothing less than the best from everyone. We are blessed to have the best, the brightest and the incredibly talented with us. Our people are the assets the company should be proud of. We demanded nothing else than excellence from them. And they have not failed us.

We thought we were out of the woods after 2002 having performed remarkably well almost every year since then; each year bettering our bottom line than the previous one. In 2008 we thought we were on the road to immortality. But then came 2009, the economy was heading



south thanks to larger economies wobbling because of corporate misadventures and crippling debts. We were hit because companies like us would be the first hit when the economy is showing negative growth. For the first time since the birth of Media Prima, we recorded a first quarter loss. It was a wake up call for us. It called for immediate re-thinking and re-inventing. And to re-look at how we do things.





We needed to re-evaluate on what went wrong and how best we should move forward.

We implemented cost cutting measures and reduction of wastage coupled with new, more aggressive and coordinated approaches to market our various integrated media assets and platforms, as we meandered our way through the danger. We were, using the analogy of mountaineers, almost at the Death Zone. We were suffocating and deprived of air on those notorious slopes. We could have succumbed to conditions relating to altitude, just like how many companies did when they lost touch with reality while on dizzying heights. We learnt the lessons of the past. Being rooted to reality, anchored by tradition and history, and not unlike the climbers whose lives depended on good guides and established fixed ropes, we had our bearing hard and strong, laid by former Chairmen, Directors, Group Managing Directors, Chief Executive Officers, managers and dedicated staff.

The year saw Media Prima posting a net profit after tax and minority interests (PATAMI) of RM194.8 million against RM86.02 million achieved in 2008.

Excluding negative goodwill from the acquisition of The New Straits Times Press (M) Berhad (NSTP), exceptional items and losses from MPB Primedia Inc., the Group recorded a lower yet still commendable PATAMI of RM73.8 million.

The decline in net revenue, from RM781.29 million in 2008 to RM744.02 million, was not unexpected and higher than what we had projected at the beginning of the year, while Profit Before Tax (PBT) increased by 73% to RM275 million from FY2008.

The results were very much affected by external circumstances, of which we had very little control, but the resilience of our media assets, coupled with prudent management by our highly capable team was a shining beacon for the industry as a whole.

Given the satisfactory performance of the Group, and our favourable cash flow position, the Board is pleased to recommend a final single tier of 5.6 sen per ordinary share. This brought the dividends declared by the Group in 2009 to 10.0 sen per ordinary share, which represents a pay out ratio of 36% based on profit from continuing operations.



We must thank our clients – the advertisers – who continued to believe in us even when they were themselves battered by the economic downturn. They knew we offered them the best choice in terms of reaching to their target audience and their unwavering support meant a lot to us. And we have to thank our readers, viewers and listeners for without them we would not have been inspired and challenged to produce the best. We would like to believe that we reach out to more than 21 million Malaysians every single day via our media platforms - our newspapers, TV and radio networks, online portals and our billboards – that is a staggering 4/5th of the population!

And we welcome competition to keep us on our toes – as a writer of a famous military treatise once said, a worthy and honourable competitor is worth a thousand flatterers. In our business we need admirers and flatterers, yes, but we welcome the detractors and naysayers too to awaken us, and of course worthy challengers.



The last year has been an exhilarating one for us. I took over the Chairmanship from Dato' Abdul Mutalib Razak, who helmed the company in an era of expansion. Dato' Amrin Awaluddin, the soft-spoken, self-effacing workaholic took over the mantle from the extremely talented Dato' Abdul Rahman Ahmad, thus heralding a new era for Media Prima. We have Dato' Sri Ahmad Farid Ridzuan who is the face of our TV networks. We have added Datuk Ahmad A. Talib, a veteran newsman at both Malaysian Press Institute (MPI) and NSTP, signaling a new direction and purpose in our news and current affairs realms. We are proud to include Dato' Fateh Iskandar Mansor as a new member of the board of Media Prima, whose experience in the corporate world would lend invaluable assistance to us. Last but not least, we have some of the finest people still with us to give the new meaning to the words tenacity and dedication.

We must have been doing the right things so far for we have been acknowledged for our Corporate Responsibility (CR) programmes. We are proud to announce that we have won accolades for our pursuit on corporate governance and transparency, which include the Minority Shareholders Watchdog Group (MSWG) award for Distinction and Best Mid-Capitalisation Company.

In addition to that we have also been recognized as one of Malaysia's Most Valuable Brands (for TV3) from Interbrand and the Most Innovative Medium from the Entrepreneur and Cooperative Development Ministry (MECD), on top of the many other awards received for our programmes in various categories at local and foreign media awards shows.

Winning awards have never been our end objective, but nevertheless, it is indeed satisfying to see our work and efforts acknowledged by our peers, the industry, the Government and the general public.





CR has been a buzzword in recent years with many organizations jumping on the bandwagon to gain recognition and credibility. But at Media Prima, CR is an area that we as a Group, as well as at the division level, have been practicing right from the start. We may not have called it CR back then but there has always been a sense of "wanting to do good" in all that we do; from the charitable funds raised by the NSTP Group and the community activities that our TV stations have carried

out right to the social messages that we have incorporated into our programming on TV and radio.

Today, social responsibility has been ingrained into our corporate psyche as we continue to "give back" in many areas including education, charitable donations, community development and social integration. For a more detailed overview of our CR activities in 2009, we have taken the liberty of producing a separate booklet on the subject which you will receive together with this Report, and we hope you will take some time to go through it.

On social integration, there is one critical point I need to highlight, that Media Prima supports the Prime Minister's idea of "1Malaysia." In fact our deeds speak louder than words. We realised the importance of not only manifesting the look, the nuance, the culture and feel of Malaysia-ness at Media Prima, but we translated that into our programming, our products and our platforms.





We are here as the manifestation of our commitment to bring our people together, to bridge the cultural gap, to address the drifting apart of our populace.

I am a believer in the African proverb, "If you want to go fast, go alone, if you want to go far, go together." We have to go far together as the *rakyat*, we have to thrive for the best for the nation, for the future lies with us. That is our pledge to this country – that we will use our

platforms to pursue an agenda to integrate our people; so that the various races live harmoniously and the country continues to prosper. Those were the dreams of our founding fathers. And should be the dreams of all politicians across the political divide. Those have become part of our philosophy at Media Prima.

We are expecting more challenging times ahead. Although we anticipate the economic recovery to continue, we are not looking at green shoots of revival, but a more robust growth in 2010. We are looking optimistically at a better ADEX. With the privatization of NSTP, we are looking at a new Media Prima with a bigger market capitalization, and with it added value to us and our shareholders. With the newly acquired niche-market leader in outdoor advertising, Kurnia Outdoor Sdn Bhd as well as Jupiter Outdoor Network Sdn Bhd (collectively known as "Kurnia"), we have at our disposal a stronger brand to further position ourselves in an ever-changing media landscape.





We will explore new revenue streams – particularly the massive potentials in the largely untapped world of online, mobile contents and other new platforms.

We hope to be seasoned climbers perched on the rocky ledge on the way to the top - let's call it the peak of corporate achievement and dreams. We are realistic dreamers though amidst unpredictable challenges and uncertainties. We will always be aiming for the top in an industry that celebrates only winners. We are certainly mindful of the dangers that entails. We could be blown off the ridge. Or sucked into the crevices. Or succumb to other lurking dangers. We have gone through that before and we prevailed. Like a phoenix, we rise to the occasion when we need to. We will turn challenges into opportunities. We believe there are opportunities even in adversity. As I have said before we will consider the challenges as *hikmah* to test our perseverance and spirit.

With that kind of attitude the peak should not be elusive anymore, as it is definitely within our grasp. From there we move on to another peak, and another.

Together we will set new markers of excellence.

DATUK JOHAN JAAFFAR
CHAIRMAN
MEDIA PRIMA BERHAD



More Than Just News

With the compelling content Media Prima creates, we've been able to engage millions of people throughout Malaysia and beyond through our traditional and new media channels which updates, informs and educates so that they can remain up-to-date on what's happening in the nation and around the world, together with the latest TV shows and the freshest music.





Review of Operations



"In times of economic uncertainty, it is even more imperative to help those in need. We have tried as far as possible to carry this out through initiatives aimed at the public, the industry, as well as specific sectors. Your company pledged at the beginning of the year to maintain or even increase its contribution to Corporate Responsibility (CR) projects despite the grim economic climate, or maybe, because of it. Our commitment reflects both our confidence that our business would continue to grow, regardless, and our desire to help others grow with us."

Dear Shareholders,

Although the Malaysian economy showed signs of recovery in the fourth quarter of 2009, this was driven mainly by stimulus packages and Government policies. Both large and small businesses were hit by the downturn and challenged to maintain their performance when consumer confidence was noticeably low. Nevertheless, we expected the turbulent ride in 2009 and did what we could to minimize the damage.

In 2009, Media Prima Berhad (Media Prima) recorded a profit after tax and minority interests (PATAMI) of RM194.8 million against RM86.02 million in 2008. Excluding negative goodwill, exceptional items and losses from MPB Primedia Inc (Primedia), the Group recorded a commendable operational PATAMI of RM73.8 million.

The solid earnings came on the back of the recovery of the Malaysian economy that gained momentum in the early second half of the year, coupled with redoubled efforts by Media Prima to boost its top line figures.

Although the Group's revenue of RM744.02 million for 2009 was 4.8% lower than 2008, this was an improvement of the 11.5% decline in revenue experienced at the peak of the economic downturn in the first quarter of 2009. This decline was arrested and reversed to a certain extent in the fourth quarter of 2009, which saw a growth of 4.6% against the same quarter in 2008.

The Group kept a tight rein on expenses, which only grew by a mere 4.8% from 2008. If exceptional items relating to impairment to the value of its properties and write-down of certain assets were to be excluded, operating expenses barely increased from the year before.

The Group has also recorded negative goodwill of RM216.1 million from the acquisition of The New Straits Times Press (Malaysia) Berhad (NSTP) and net losses of RM57.1 million from the divestment of the Group's subsidiary in Philippines, Primedia.

Given the challenging environment, your Company performed relatively well, as we managed to minimize the expected shortfalls in revenue and profits. This can largely be attributed to:

- Anticipating the impact of the recession and making provisions to counter and minimize it;
- Holding diversified media assets in its investment portfolio.



It is also promising to note that there was growth in revenue recorded in the fourth quarter of 2009 against the same period in 2008. Analysing the results over the past two financial years, it is evident that we had bottomed-out in the fourth quarter of 2008 and the first quarter of 2009 with a clear upswing during the second half of 2009. This bodes well for the coming financial year as we expect further recovery in the economy which will ignite growth towards pre-2008 levels.

As expected, your Company's results are dependent on advertising expenditure, which had been greatly impacted by the economic downturn particularly in first quarter 2009.

In 2009 the Malaysian advertising market recorded an overall growth of 7%. This was driven mainly by the 14% growth in the second half of the year compared to the same period in 2008, based on published rate cards (Source: AGB Nielsen Media Research). However, Nielsen's reported increase in advertising spend did not translate proportionately to an increase in revenue, partly due to discounts given on bulk purchases and for long-term commitment from advertisers. In addition, a large chunk of the expenditure was for public service messages from local government institutions on health awareness issues relating to H1N1 and dengue.

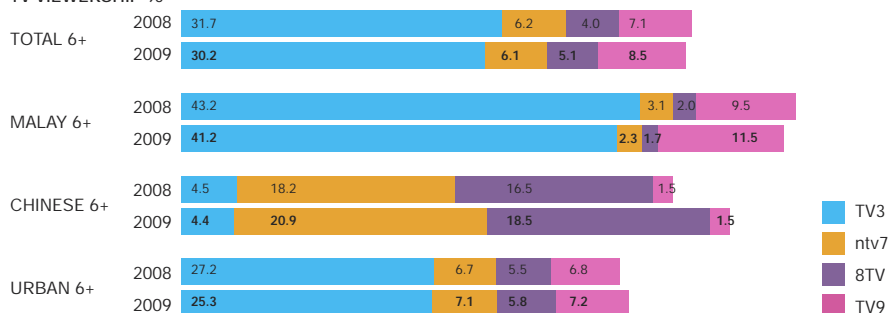


TELEVISION NETWORKS

The Group's media assets continue to dominate the media landscape with TV Networks remaining the main revenue generator, accounting for 76% of the Group's total revenue. TV3 maintained its anchor position among the stations in its industry, leading with an astounding 30% in audience share, while ntv7, 8TV and TV9 further cemented their positions among niche targets with quality programming and viewer activation initiatives. The four stations collectively accounted for 50% of the nationwide viewership figures, garnering 90% of the total Free-To-Air (FTA) TV advertising spend. (Source: AGB Nielsen Media Research)

As the main revenue generator, TV Networks showed a toughness and elasticity despite the economic challenges. More importantly, it maintained its overall market share while continuing to deliver quality content and programming to audiences. TV3 continued where it left off in 2008, maintaining its ratings by delivering all of Malaysia's top 20 programmes in 2009, consistently performing up to expectation.

TV VIEWERSHIP %



Source: AGB Nielsen Media Research



To maintain Media Prima's leadership position and grow the TV business, we have focused on providing discerning content and quality programming. This will continue to be the mainstay of the Group's operations amidst a highly competitive market, as we contribute to developing an intellectual society under the 1 Malaysia platform.

In November, Media Prima previewed new and returning programmes for 2010 at our annual Network Screenings event. While the stations will continue to invest in foreign content, greater emphasis has been placed on producing quality local content.

Collectively, the four Media Prima stations will be investing primarily on local content in a strategic move to meet the expectations of Malaysians across all age groups as well as to further stimulate the development of the local content industry.

Notwithstanding the focus on local content, Media Prima continues to add variety to its offerings by renewing a multi-year deal with The Walt Disney Company's integrated distribution arm, Disney-ABC International Television (DAIT) Asia Pacific which will ensure that viewers of TV3, ntv7 and 8TV get the latest and most successful programmes available for the coming season, including *FlashForward* which was launched in North America to much fanfare in September 2009, as well as the two most highly rated scripted shows on TV from the 2008/2009 season – *Grey's Anatomy* and *Desperate Housewives*.



Review of Operations

In addition to investment in quality content and programming to meet the demands of its viewers, the Group will be employing its sophisticated Customer Relationship Management (CRM) tools to help boost sales and manage customer expectations more intelligently. Our continued investment in CRM has yielded dividends as it helped sustain our base of core advertisers during these challenging times.

RADIO NETWORKS

Media Prima's Radio Networks performed exceptionally well with Hot FM becoming the top station in the country after only three years in existence, according to the Nielsen Radio Audience Measurement Survey, with almost 4 million listeners including those in the high income group, professionals and students.

Hot FM's "AM Krew" and drive time show with Kieran and AG contributed to its rise to pole position as well as the station's popularity among listeners in the major market centers and urban areas.



Fly FM, meanwhile, reinforced its position as the number two English radio station in Malaysia, with an especially strong following among its core target group of 18 to 30-year-olds. A staggering 90% of its almost 750,000 listeners are from urban areas.

The major surprise, however, was the stellar performance of our new Chinese language station, One FM, which was launched in January 2009. It saw an 86% growth in listenership share, making it the fastest growing Chinese radio station in Malaysia. It has been especially popular among the under 35 group who make up 60% of its listeners.

Formatting our radio shows around Generation Y listeners by providing great content on air and engaging them through Media Prima's multiple platforms, has clearly paid off. Radio Networks has contributed impressively to the Group's revenue and we expect this trend to continue in 2010 as the three stations continue to grow, expand and consolidate their respective positions in the industry.

OUTDOOR

With the acquisition of Kurnia Outdoor Sdn Bhd as well as Jupiter Outdoor Network Sdn Bhd (collectively known as "Kurnia") in October 2009, Media Prima's outdoor division, which also consists of Big Tree, UPD and The Right Channel, now commands a hefty 42% share of the outdoor market.

However, revenues did not live up to expectations as some major high-end and niche-oriented clients did not renew their rentals, an industry-wide trend due to the recession. We expect these clients to eventually return, especially with the positive economic outlook for the coming year, which should improve results for this division in the year ahead.

In the meantime, the acquisitions made during the downturn will further strengthen our hold on concession-based sites.





More importantly, it provides greater access to high-end and key market center sites operated by Kurnia such as concessions on major expressways – Sistem Penyuraian Trafik KL Barat Sdn Bhd (SPRINT), New Pantai Expressway (NPE) and Besraya in the Klang Valley and the Jelutong Expressway in Penang – as well as strategically located buildings and private properties.

In fact, the addition of Kurnia to our outdoor stable is expected to raise the outdoor division's total revenue contribution to more than RM100 million, as well as complement our other media assets so we are able to offer clients more creative and innovative advertising solutions.

NEW MEDIA

Alt Media, the Group's New Media outfit, continues to make inroads in the online and mobile platforms. As of now, however, the high level of traffic to its portals does not automatically translate into high revenue streams. Nonetheless we appear to be heading in the right direction and are confident the unit will grow as the economy picks up, and we continue to improve and strategically revamp our content.

CONTENT DEVELOPEMENT

With content development set to become a key revenue generator for the Media Prima in the next few years, the Group's content development division, Primeworks Studios, has been gearing itself to meet the challenges of becoming the premier content developer and provider in the country. Initially set up through the consolidation of the production units of the TV stations under TV Networks, Primeworks Studios also has the capability to produce full-length feature films under Grand Brilliance. During the year, we saw the release of the late Yasmin Ahmad's *Talentine*, which was a major winner at the Malaysian Film Awards 2009.

Although 2009 was very much a year of consolidation for Primeworks Studios, it was still nevertheless responsible for all the major productions of the local programmes shown on the four stations under our TV Networks. These include *Anugerah Juara Lagu*, *Anugerah Skrin*, *Mentor*, *Anugerah Industri Muzik*, *Pencarian Gadis Melayu*, *One in a Million*, *Oo La La*, and *8 E-News*.



Review of Operations

CORPORATE & OTHER BUSINESSES

The effects of the global economic meltdown were more pronounced on the Group's other subsidiaries. Revenue fell 22% against 2008, mainly due to lower revenue recorded by TV3 Ghana and lower box office takings by Primeworks Studios via Grand Brilliance.

Media Prima's print media operations, through NSTP, recorded a decline in the associate's shared profits of 19.5% in 2009 mainly due to lower revenues attributed to lower advertising spend. As we only completed our acquisition of NSTP as a subsidiary later in the year, the benefits of full consolidation will only be realised from 2010 onwards.



However, the Group has recognized negative goodwill arising from the acquisition of NSTP, amounting to RM216.1 million. The impact of the losses of Primedia amounting to RM95.3 million has been fully accounted for in this financial year, and has been partially offset by a gain on disposal of RM38.2 million.

Overall, the decline in revenue was not unexpected given the economic challenges of 2009. Your company has worked to minimize its impact on operations – through prudent financial management and cost-cutting measures.

In short, considering the prevailing economic climate, Media Prima's FYE 31 December 2009 results are relatively satisfactory although there is definite room for improvement and we hope to see this materialize in 2010 on the back of an economic recovery, as we continue to consolidate our media assets.

CORPORATE RESPONSIBILITY

On a more gratifying note, we are pleased to observe that despite the decline in revenues, the Group's business units have continued to support worthy causes and help various communities in need.



Bersama  *mu*



This is very much in line with Media Prima's CR philosophy which runs through everything we do from the content we produce - incorporating social messages on good values - to the projects we adopt and champion.

Even in the area of entertainment, we have incorporated elements that fulfill our social responsibility. For example, the annual *Anugerah Juara Lagu*, one of our highly viewed entertainment shows in 2009, was a vehicle to nurture homegrown talent, discover new talent and provide opportunities for independent musicians to appear in the mainstream media.

Other initiatives during the year from Television Networks include the 8TV education scholarships, now in its third year; ntv7's *Go Green Campaign*, *The Pink Project* and *Project Sunshine*; and TV9's *AKOK (Apa Khabar Orang Kampung)*.

Our Radio Networks also did its part by hosting the breaking of fast during Ramadan for selected orphanages and holding charity movie screenings for the less fortunate. In addition, the three stations promoted good values and created awareness on health issues through Public Service Announcements. Even *Alt Media*, despite its teething difficulties, came out strongly on the CR front with its support for the Malaysian AIDS Council's Red Ribbon Programme.

As a Group, we observed Earth Hour and created awareness on the world's dwindling natural resources and climate change, in addition to our active participation in the Government's PINTAR project. Your Company was also instrumental in generating awareness and raising funds for the conflict in Gaza. We provided dedicated airtime updates on all our television and radio networks, with TV3 sending a crew to provide live updates from the war torn country.

The publicity also lent support to NSTP's initiative to raise funds for the Palestinians.

Another core aspect of the Group's CR efforts is in the dissemination of timely news that creates an impact and affects the community in a positive manner. As a media company we recognize that our major responsibility is to provide quality news and information to Malaysians through our TV channels, radio stations or print publications.

We have demonstrated through our various activities that we are not just about the bottom line – we take seriously our responsibility to contribute towards the development of society as a whole.

The encouraging performance of the Group, especially during these tough economic times, can be attributed to the professionalism of all our Media Prima colleagues.



Review of Operations



We would like to put on record the Board and Management's thanks and gratitude for the dedication shown, and the sacrifices made by our colleagues, not only in 2009, but in the previous year as well.

On behalf of the Board and the Company we would also like to express our gratitude to the Government particularly for their policies to help boost the economy as a whole. We have also had a fruitful year in our dealings with the Ministry of

Information, Communication & Culture, and we look forward to continuing our excellent relations.

Lastly we would like to take this opportunity to thank the Board for their support to the management team, without which we would not have been able to take the Group to where it is today.

THE YEAR AHEAD

We are optimistic that 2010 will be a brighter year for Media Prima, and the country as a whole. The signs of recovery are there and it is up to us to ensure that we manage our affairs prudently, so as to maximize returns while stimulating the industry and the country's economy.

We were told that Malaysia's traditional media landscape is close to saturation, but that does not mean there is no room to grow. We simply need to continuously reinvent ourselves to keep up with the changing markets. As we have seen in more developed markets, there will be a shift towards content creation, development and provision. We are geared to move in this direction with Primeworks Studios, which should contribute even more significantly to group revenues in the coming years.





We also expect to derive potential synergistic benefits from collaborative marketing strategies between the newly acquired media assets and other media platforms within the Group. These media platforms should improve the Group's offerings to general consumers, media buyers and advertisers.

2010 will be a fresh start for your Company. At the end of 2009 we divested Primedia to stem further potential losses. In addition we added NSTP and Kurnia to our fold and our immediate aim is to create synergies with our existing businesses and optimize the value of these investments.

As we grow, develop and reinvent ourselves to keep up with changing consumer demands to maximize shareholder value, we will also continue to support worthy projects to help develop our community.

Given our resilience demonstrated in a time of economic turmoil, especially in the last two financial years, we believe that we will be able achieve our twofold purpose more than adequately.

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR
MEDIA PRIMA BERHAD



TELEVISION NETWORKS

TV as a medium presents an excellent opportunity to convey community messages as well as provide reports on the state of the nation. While there is a tendency for news on disasters and misfortune to garner large viewership, it is important to balance this out with positive news. To this end, our TV Networks have made a concerted effort to ensure a proper balance through content that provides optimism and inspiration for its viewers.

TV3

TV3 continued where it left off, and once again dominated the country's top 20 programmes, which included live screenings of the highly popular awards shows and captivating reality shows. This was also reflected in its share of audience with a 30% share among all terrestrial networks. (Source: AGB Nielsen Media Research)

TV3 TOP 20 PROGRAMMES AMONG ALL VIEWERS

NO.	PROGRAM	CHANNEL SHARE (INCLUDES ASTRO)%
1	ANUGERAH BINTANG POPULAR B.H. (L)	66.9
2	ANUGERAH JUARA LAGU (L)	65.7
3	MENTOR AKHIR (L)	58.4
4	PENGISTIHARAN HARI RAYA AIDILFITRI	57.0
5	CNY BLOCKBUSTER	54.4
6	ANUGERAH SKRIN (LIVE)	52.9
7	JOM RELAKSI!	52.2
8	PENGUMUMAN KABINET (L)	50.5
9	SINETRON	45.9
10	MY STARZ LG FINAL	44.9
11	BULETIN UTAMA	44.3
12	MENTOR	44.3
13	NUR KASIH	40.7
14	MENTOR RAYA	40.0
15	TAZKIRAH LEBARAN	39.7
16	MR. MAMA	39.5
17	SERAM	39.1
18	ANUGERAH SKRIN	39.0
19	DENDAM	37.7
20	MOVIE RAYA	37.6

SOURCE: AGB NIELSEN MEDIA RESEARCH

The station also celebrated its 25th anniversary with a year-long campaign throughout 2009, which kicked off with the massive Kenduri Doa Selamat at Masjid Wilayah in Kuala Lumpur. The celebrations also included various programmes such as Kembara TV3 where a TV crew visited 25 towns throughout the country to connect with the grassroots in the "Spirit of Giving"; the hugely successful Konsert Inspirasi @ Dataran Merdeka in June, which attracted a crowd of 50,000 and reached 3 million viewers on air; and various interactive on-air and ground activities where viewers were asked to design T-shirts and a TV3 birthday cake with the chance of winning cash prizes.



Despite its leadership position after 25 fruitful years, the station was not about to rest on its laurels and long-running popular programmes such as Bersamamu, M3, Nona, WHI, Melodi and Remaja were revamped and refreshed. A new morning slot, Senda Pagi was also introduced, boosting TV3's morning share to 39%. The station is especially proud of its efforts to screen quality local content, and its efforts to boost the local content development industry.

ntv7

The nation's "Feel Good Channel" continues to make strides both on and off air. 2009 saw ntv7 moving into its second decade with a clear positioning of being stylish, smart and engaging – through compelling and relevant content with high ratings. The station also embarked on effective community events alongside creative promotional exercises in its effort to reach out to the public beyond the airwaves.

The year saw kids@fgw, a popular programme targeted at school kids aged 7 to 12 years, embark on a fun-filled journey to 11 selected schools around the Klang Valley.





The half-day events offered a myriad of outdoor and indoor activities from mini-screenings, tele-matches, story-telling competition, to live demos of a news presentation. The students and teachers were also treated to a surprise appearance by the Shin Chan mascot and a performance by the powerful-voiced Dina.

The station also did its part for the SME community through the "Be Branded Be Seen" Workshop. Partnering with the Branding Association of Malaysia (BAM) the workshop gave insights into branding via the right media to 50 small medium entrepreneurs

(SMEs) seeking the best business solutions for their growing brands. The workshop provided the platform for two renowned speakers to share their experience and knowledge on the journey to branding their way to success, as well as for participants to highlight their concerns on marketing to their target segments.

Another highlight for the year was the 1Malaysia ad campaign where ntv7 launched its 1Malaysia print and on-air advertisements themed 'We Feel Good as 1Malaysia'. Each ad featured snapshots and clips of ntv7's current programmes reflecting the country's multiracial and multi-religious make-up, as well as anchors of the station's highly rated news programmes and The Breakfast Show.

Other CR initiatives include The Pink Project in collaboration with Harper's Bazaar to raise the awareness of breast cancer; Go Green Campaign –entertain, educate and help viewers find practical ways to make positive environmental changes in their lifestyles, their homes and their businesses in celebration of Earth Day; and Project Sunshine – a partnership with SP Setia Foundation, to provide an education fund to help build or refurbish an infrastructure element in national and vernacular schools.



Review of Operations

TELEVISION NETWORKS

On the programming side, ntv7's refreshing content of wholesome family, entertainment, current affairs and sports programmes hit the right chord with the Chinese and urban audiences. It grew stronger among the Chinese with 21 per cent audience share and was the second most watched channel among Urban 30+ with 8.1 percent audience share (Source: AGB Nielsen Media Research).

The station dominated the Chinese prime time hour from 10 to 11 p.m., and also pulled in a fair share of urban viewers with shows such as local series *The Iron Lady*, *The Little Nyonya*, PCK Sdn Bhd, and Hollywood imports *The Mentalist*, *Grey's Anatomy*, and *Private Practice*. ntv7 was also the Malaysian Host Broadcaster of the 2009 Formula One World Championships.

8TV

8TV, too, did its part in contributing to the Group's overall CR efforts with various activities in 2009. For the fourth year running, the 8TV Scholarship Fund in a continuing effort to give back to the community by nurturing deserving young Malaysians. This year a total of RM1 million was awarded to 15 deserving recipients.

In addition to the Scholarship Fund, the station also did its part in promoting an important National Agenda – the National Service. Project NS, a joint venture with the National Services Training Department, was a series of half hour episodes depicting the experiences of three celebrities - singers Suki, Alif and actress Diana Danielle as they underwent their National Service training. As role models, the three celebrities were an inspiration to Malaysian youths to look forward to participating in the national Service program.

On the viewership front, the station continued to woo the urban viewers with quality and compelling content. The ever-popular *One in A Million* season managed to pull in 1 million viewers for its grand final, while the *Shout Awards* – the hippest, craziest, funkiest awards show - brought recognition to those who made an impact with creative breakthroughs in Film, TV, Music and Radio in Malaysia.

Another popular show was "I Wanna be a Model", a successful Chinese reality show going on its 3rd season. Providing a platform for aspiring models to achieve their dream in the world of high fashion, the show attracted a large number of participants at the auditions as well as rating highly on the weekly viewership stakes.

The station was also duly recognized by its peers, at the Promax Asia Awards 2009 where it won the Asian level creative awards for Best Public Service Announcement for its National Day campaign '*Merdeka Rasa Sayang*'; and at the Asian Television Awards 2009, where it was nominated in two categories - for Best Drama for *Ghost 2* and Best Direction for *One in Million 3 Grand Final*.





TV9

At TV9, the emphasis was very much on community related programmes. AKOK (*Apa Khabar Orang Kampung*), the biggest outreach program in Malaysia, demonstrated the true meaning of 'Di Hatiku' by reaching out to the rural heartland. The programme was conceived as a means for TV9, its sponsors and the government to engage with these communities and activities included visiting orphanages and homes for the underprivileged, local cultural celebrations in line with the 1 Malaysia concept; sports activities between celebrities and the kampung folks; and stage performances and concerts by local artistes. The activities and visits to the villages were carried on air on TV9 through live broadcasts and recordings.

In addition to AKOK, TV9 also continued with its on-ground Sua Rasa food carnivals. One of the unique features of Sua Rasa in 2009 was to showcase the famous foods and fruits at each of the localities it was held. With the carnivals being televised, it provided the opportunity for TV9 to directly engage with the local communities on the ground, as well as being able to showcase the specific local culinary delights to a nationwide audience. Sua Rasa was held in 5 states during the year and attracted more than 500,000 visitors at each venue.

From the activities highlighted above, it is evident that CR is very much a part of TV networks' operations, from contributing to the welfare of needy groups and on-ground engagements with local communities, to broadcasting public service messages and doing its part to impart social values through its programmes on-air.



Review of Operations

RADIO NETWORKS

Media Prima's Radio Networks started with one English station – Fly FM – less than 5 years ago. Today not only has it grown to three stations with the acquisitions of Hot FM and One FM, a Bahasa Malaysia and Chinese station respectively, but it also boasts the country's number 1 station in Hot FM, reaching out to almost 4 million listeners each week. The Hot FM AM Krew, with hosts Fara Fauzana and Faizal Ismail, also maintained its No.1 position as the favorite breakfast show for 3 years consecutively.

In 2009, Hot FM celebrated its 3rd anniversary and held the Hot FM Big Jam outside Klang Valley for the first time. Kicking off at Danga Bay in Johor Baru, the event attracted more than 45,000 visitors throughout the day. This was followed by the Hot FM Mini Jams in Ipoh and Klang, and culminated with the Hot FM Nite Jam in Muar, which saw crowds exceeding 15,000.

Being a music-centric station, Hot FM is also actively doing its part to promote the local music scene with its own reality program seeking Malaysia's ultimate band. The finals of the Hot FM Twisties Bingit was held in early 2009, and has since evolved into a TV show called Twisties Bingit on 8TV.

Fly FM, Radio Networks' English station celebrated its 4th anniversary by maintaining its position as the No. 2 English station in the country. Its breakfast offering, The Fly FM Morning Show is the number one breakfast show in the market centers of Penang, Johor Bharu and Ipoh, and it ranks highest among the urban demographic profile with almost 750,000 listeners.

As part of its anniversary celebrations, an all-day party, with arrays of performances and activities, was held at Central Park Avenue in Bandar Utama Kuala Lumpur, where more than 15,000 people showed up.





The station is also known for its support for local music talent with its signature monthly gig, the Fly FM Campur Chart Goes Live (CCGL). Held at the Laundry, The Curve, CCGL is seen as a platform to unearth new talents as newcomers to the industry were given an opportunity to present their act and songs. The successful concept was adapted further and the Fly FM Club Access was launched towards the end of the year.

Radio Networks' latest addition to the family is One FM, a Chinese station launched in February 2009. The station has slowly been climbing up the popularity stakes and currently reaches out to over 500,000 listeners.

Throughout the year, the station had been active in organising ground events such as the Mall Tour, Battle of the Sexes and a Karaoke Party in to close the year in December.

One FM was also instrumental in bringing to Malaysians one of the biggest Chinese concerts of 2009. Held in February in conjunction with Valentines Day at the main road outside Sungei Wang Plaza in Kuala Lumpur, the concert featured international and local artists such as Manhand, Gary Chow, Rynn Lim, Ginnie Zhuo and Landy, and attracted over 20,000 fans.

As a group, Radio Networks performed its fair share of CR activities that included providing support to orphanages and the under privileged through home visits, break fast activities and charity movie screenings. All the three stations also did their part in imparting important social messages and good values to unite all Malaysians. One of the key initiatives carried out was the health messages and awareness campaign on the global H1N1 outbreak.



OUTDOOR

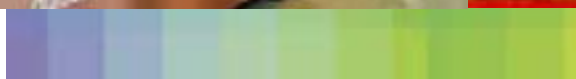
BIG TREE

The outdoor business performed reasonably well despite soft market conditions largely due to stringent cost controls during the year. These included better controls to reduce vandalism and theft cases, reduced electricity consumption on advertising structures, and a reduction on general repair and maintenance costs.

The division had also been active in pursuing new business. We managed to expand our client base with an additional 151 new advertisers for the year of which 59 are non-traditional outdoor advertisers. We also managed to penetrate and expand our geographical coverage into East Malaysia via The Spring Shopping Mall, Kuching as well as collaborating with Cahaya Mata Sarawak Group in leasing external wall facades of strategically located properties in Kuching. In addition to these, we also acquired the highway advertising concession for the new Maju Expressway (KL –Putrajaya Expressway).

Being the single largest outdoor advertising entity in the country also comes with certain responsibilities. While we may not be as visible in our activities, we have continuously supported the Media Prima in carrying out its CR initiatives. On our own, we have endeavored to do our part for the industry through special stimulus packages for existing as well as new clients. These packages had definitely helped corporations, and even the government, to continue advertising in very impactful and cost effective ways.

We had also been highly supportive of the country's national agenda, continuously promoting the spirit of National Day by bringing together advertisers and highway concession owners in displaying their Merdeka campaign as well as to promote the 1 Malaysia concept during festive periods with our special Festive sales packages.



NEW MEDIA DIVISION

2009 was an active and eventful year for Alt Media with its portals reaching new heights. gua.com.my, Malaysia's premiere lifestyle and entertainment portal, was given a major makeover in January 2009 and 'relaunched' at the Youth '09 event at PWTC. The other TV portals were also revamped and given a refreshed look.

The refreshed look proved an overwhelming success as Alt Media's registered user database reached the 1 million mark (validated) with approximately 1.3 million users and still growing. This was accumulated from all the existing portals – TV3, ntv7, 8TV, TV9 and GUA.

UNIQUE VISITORS VIDEO VIEWS 2008 VS 2009

	AVERAGE MONTHLY PAGE VIEWS		AVERAGE MONTHLY UNIQUE VISITORS		AVERAGE MONTHLY VIEW OF VIDEOS	
	JAN-DEC 2009	JAN-DEC 2008	JAN-DEC 2009	JAN-DEC 2008	JAN-DEC 2009	JAN-DEC 2008
TV3	33,990,917	40,966,017	1,846,350	2,363,301	18,307,164	19,758,791
8TV	7,648,906	10,626,860	332,081	519,132	2,250,268	2,484,929
ntv7	3,491,463	4,267,048	201,813	316,458	883,397	1,314,338
TV9	4,802,646	5,448,912	339,523	212,008	4,259,430	1,777,438
Hot FM	5,137,270	5,366,308	959,950	693,858	185,163	609,890
Fly FM	5,597,623	639,714	237,751	136,579	N/A	N/A
One FM	13,415,327	N/A	229,037	N/A	N/A	N/A
Gua.com.my	5,524,729	5,020,868	447,381	401,448	527,094	313,534

"Catch-up TV" continued to be a popular feature on our TV portals as viewers caught their favourite TV programmes on-line. The popularity of the feature was augmented with the country's most watched TV drama series 'Nur Kasih' garnering a total of 65,777,095 video views online for the whole season. The initial popularity of the programme led to the creation of a "Nur Kasih" microsite with special features like the virtual room, exclusive behind-the-scenes footage, interviews with the cast, an extensive photo gallery, casts' profile, programme synopsis, Q&A, and even a Twitter ID for fans to follow the show on Twitter.

The GUA portal continued to attract its own visitors independent of the TV portals, with new and compelling content. Two online dramas were released on GUA in 2009. - 'Mingguan Lelaki' with an accumulated 900,000 video views and the horror sequel 'Jelma 2' which collected 700,000 video views.

Alt Media's music portal, GUAMUZIK (www.guamuzik.com.my) also proved popular and continued to sell great music digitally, from its catalogue of more than 700,000 songs. Some exclusive digital albums were also produced and sold for digital release only on GUAMUZIK such as compilation albums of the 23rd AJL finalists, One In A Million 3 featuring the Top 3 Finalists, as well as from the top 3 finalists of Mentor 3.

The year also saw Alt Media launching its mobile portals for TV3, 8TV and GUA and featured the first Catch-up TV on mobile in South East Asia! With viewers now able to watch video content directly on their mobile phones, it is an excellent opportunity for us to expand our database further. We aim to take this further and launch the mobile portals for TV9 and ntv7 in 2010.

Alt Media also received international recognition with its General Manager of Brand, Marketing and Content, M. Zulkifli Abdul Jalil invited to give a talk on the New Media scene and New Media efforts at the Citizen Journalism Symposium in Brisbane, Australia. This helped create exposure internationally, and provided us the opportunity to further tap visitors from the Malaysian community overseas as well as from non-Malaysians who have had past links with the country.

On the CR front, Alt Media continues to advocate and support the Malaysian AIDS Council's (MAC) Red Ribbon Programme. In supporting MAC's cause, GUA TV and GUA provided exclusive coverage on MAC events such as the 'The National Advocacy Programme and Majlis Berbuka Puasa Terengganu' co-organized by MAC, JAKIM, and the Terengganu Department of Health Development during the month of Ramadhan. Single mothers and their children from the community were invited as special guests for the buka puasa event where they broke fast with Supporting Celebrities of the Red Ribbon Programme.

GUA also invited 20 children from related homes under the Malaysian AIDS Council Community as guests during the 2nd GUA anniversary. They were celebrated and treated to a feast with participating celebrities, which also doubled up as a 'Fast-breaking ceremony' during the month of Ramadhan.

Among the other MAC events that GUA attended were the 'Forum Perdana' at the Federal Mosque, and the Deepa-Raya Open House with the community in Setapak, which were shown online on TV9's interactive slot Gua @ 9.



PRIMEWORKS STUDIOS - CONTENT DEVELOPMENT

2009 was a year of consolidation for Primeworks Studios, as it shifted its focus to high quality content production for multiple platforms, languages, genres and markets. The production facilities of the individual TV Networks stations was consolidated under Primeworks in 2008, and as such its operations were realigned accordingly to meet the demand for quality content production from the respective stations. The realignment exercise ensured that production standards were maintained and met international benchmarks, resulting in better control in headcount, cost & safety; and the standardisation of processes and controls.

The studio's highlights for the year included producing quality and high ratings programmes such as Anugerah Juara Lagu, Anugerah Skrin, Mentor, AIM, Gadis Melayu, One in a Million, Oo La La, Gadis Melayu, 8 E-News and many others, while long-running programmes such as Bersamamu, Majalah 3, Nona, Melodi and Remaja were refreshed. TV3's morning slot was also given a new lease of life, which boosted its morning viewership share from 31% to 39%.



The year under review also saw the consolidation of various content creation, production and support units to increase creativity for specific productions. This was demonstrated in the production of "Ally", which was a combination of the entertainment, magazine and documentary production teams; as well as the live production of "Anugerah Juara Lagu 2009", which was a combination of the urban 8tv and Malay entertainment production teams.

Primeworks' operations is highly dependent on a talented and skilled workforce, and the unit continued with its talent development program to maintain its competitive advantage and nurture career growth for its employees. This included exposure to world class practitioners at the Asia Film Week Production Workshops and collaboration with Asia Pacific Institute of Broadcast Development (AIBD) for overseas training in 4 major cities (Hanoi, Jakarta, Kuala Lumpur & Manila).

In addition to providing the right exposure and training for its employees, Primeworks also did its part to help budding talents fulfill their dreams and nudge them towards the right direction for their full potential to be realized, while seeking fresh and potential ideas for new content.

In collaboration with 8TV it organized a series of workshops exposing broadcasting and communications students to the workings of the content development process, tapping their creativity in generating content ideas as well as opening up future internship opportunities for the students.

Meanwhile, filmmaker, TV producer and writer Lina Tan and TV presenter and VJ Marion Caunter were invited to KDU College and Taylors University College respectively to share their experience and insights on having worked in the media industry, as well as answer any questions and doubts the students may have.

2009 saw the passing of one the film industry's major icons, film director Yasmin Ahmad. In honor of her contributions to the industry, Primeworks Studios and a group of cinema operators came together to organize a re-screening of her latest movie Talentime from 13 August 2009 onwards for a limited time. Both Primeworks and the cinema operators pledged to donate RM1 each for every movie ticket sold, giving the opportunity for the late director's fans to catch the movie while doing their part to help society and the less fortunate. The fund collected who pledged to the MERCY Yasmin Ahmad Fund for children. The collection reached RM34,830.

The movie Talentime was a Primeworks production, and the collaboration between the late Yasmin Ahmad and the studio resulted in several awards at the 2009 Malaysian Film Festival. These included awards for best director (Yasmin Ahmad), Best Screen Play (Yasmin Ahmad), Best Supporting Actor (Mohd Shafie Naswip), Most Promising Actress (Jaclyn Victor) and the "Special Jury Prize for Implementing Humanitarian Elements in A Motion Picture".

The studio also scored awards for Best Supporting Actress (Salina Saibi in Bohsia); Most Promising Actor (Zahiril Adzim in Kami the Movie) and Best Current Affairs/Social Documentary for Majalah 3's special edition on Gaza.



No matter how you look at it, 2009 was a milestone year for the newspaper group. Away from the daily operations, the acquisition by Media Prima of the NSTP shares not already owned by it took center stage. However, the equity changes notwithstanding, the operations of NSTP were reflected as an Associate of the Group for the reporting year, while the editorial and management of the company remained status quo.

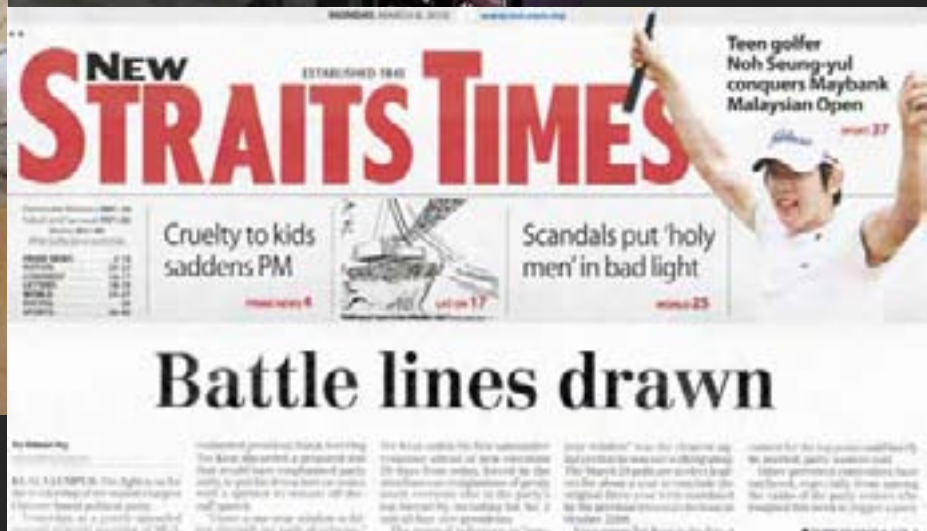
During the year under review, New Straits Times revamped their on-line portal www.nst.com.my to include NST Live - a live online coverage of political events such as the UMNO general assembly and by-elections. NST Live also includes a live chat feature, where visitors were able to hold live chats with personalities from politicians and government officials to celebrities.

Other new features include open selected articles for comments from readers, a first for any website of a main stream newspaper; value-added features for special news events ranging from photo galleries to specially designed micro-sites; and a photo slideshow on the main page that allows visitors to flip through and view up to 10 photos.

The RHB New Straits Times Spell-It-Right Challenge was organized for the second year running, with the 618 schools participating representing a 25% increase from the previous year.

In 2009, Berita Harian introduced six regional Edisi Wilayah pull-outs to provide better regional news coverage that benefited semi-rural and rural residents. The Pull-out also served as a platform for organisations to highlight information on activities relevant to the local communities.

Harian Metro, the country's no. 1 and largest circulated Bahasa Malaysia paper*, also introduced changes, with the daily and its Sunday edition increasing their number of pages. The increase in Metro Ahad was via a new pre-printed 8-page section titled "Gig" while Harian Metro increased the number of pages in its main paper. The year also saw an increase of 30 sen in the price of the paper – RM1.50 and RM 1.80 for Harian Metro. (*Source: ABC Malaysia)







More Than Just Impact

We're in the homes of almost everyone in Malaysia and outside as well, so Media Prima makes more than just an impact with our presence – we make it count by helping improve the lives of Malaysians by creating awareness of consumer and environmental issues, by highlighting and addressing the plight of the underprivileged and destitute through our corporate responsibility.

5 JANUARY 2009



Media Prima Launches One FM, Its Third Station

Media Prima Radio Network (MPRN), after the success of Hot FM and Fly FM launched its third station, One FM which caters to the Chinese-speaking community and fully operates in Mandarin and Cantonese dialects, offering listeners an added choice in radio stations.

A format radio station similar to Hot FM and Fly FM, the target audience for One FM is between the ages of 15 and 30.



Media Prima Responds to Gaza's Urgent Humanitarian Appeal

Media Prima lent its support to its associate, The New Straits Times Press (M) Bhd in raising funds to aid Palestinian affected by the attacks on Gaza. The fund was launched to help ease the sufferings of the many families in Palestine whose lives have been affected and made homeless resulting from the brutal attacks which begun on 27 December 2008.

Media Prima television networks had also sent their crews to provide Malaysian with updates on the crises in Gaza to raise awareness on the cause.

6 JANUARY 2009

8 JANUARY 2009

Media Prima Welcomes PTVM

Media Prima welcomed an unofficial visit from the Persatuan Penerbit Televisyen Malaysia (PTVM), a non-governmental association formed in February 2008, aimed at safe-guarding the interest of producers of the local television landscape.

The visit was aimed at promoting a healthy debate that centered on matters pertaining to the broadcasting industry in Malaysia, involving PTVM, the government and private broadcasting corporations.

Media Prima Lends Support in Aid of Gaza

In response to the plight of the Palestinians in Gaza, employees and TV personalities from the Media Prima group of companies lent a helping hand at a charity bazaar organised by The New Straits Times Press (Malaysia) Berhad (NSTP) at Amcorp Mall.

Also present at the event were big names from the Malaysian entertainment industry including Datuk Siti Nurhaliza and Anita Sarawak amongst others who auctioned off their respective belongings to help raise funds to ease sufferings of the Palestinians.



31 JANUARY 2009

13 FEBRUARY 2009



One FM Station Launch by Minister, Datuk Seri Ong Tee Keat

To fully officiate the introduction of Media Prima's third and Chinese language radio station, One FM, following its successful trade launch on 5 January 2009, Media Prima Radio Networks (MPRN) welcomed Minister of Transportation Datuk Seri Ong Tee Keat to Sri Pentas.

The memorable day stood witness to the unveiling of the radio conty for One FM, situated at Sri Pentas, Bandar Utama.



Media Prima Explores Opportunities in Pakistan

A 5-member delegation from Media Prima, led by the Group's then-Chairman, Dato' Abdul Mutalib Mohamed Razak visited Pakistan from 16 to 20 February. During the trip, Media Prima held discussions with the Pakistan Television Corporation (PTVC), Shalimar Recording Company, Pakistan Electronic Media Regulatory Authority, the management of ATV and Associate Press of Pakistan.

Media Prima and PTVC agreed to sign a MoU on a broad range of cooperation in media. The agreements reached between the Media Prima and PTVC were landmark efforts of media cooperation between Pakistan and Malaysia.

16-20 FEBRUARY 2009

17 FEBRUARY 2009

Dato' Sri Farid Ridzuan's Speaks @UiTM Shah Alam

Universiti Teknologi Mara recently stood in awe when Media Prima's Group Chief Executive Officer, TV Networks, Dato' Sri Farid Ridzuan spoke on the success story of the Group on 17 February 2009. The attendees consisted of the university deputy vice chancellor, lecturers, and students from the Faculties of Business, Accounting and Mass Communications, UiTM.



Media Prima Maintains Strong Performance Amidst Challenging Advertising Environment

Media Prima Berhad announced an unaudited net profit after tax and minority interest (PATAMI), excluding results of assest held for transfer for the year ended 2008 of RM117.7 million, maintaining its profit level to that recorded in 2007 of RM117.4 million.

This was achieved on the back of a 13% increase in the Group's net revenue to RM781.3 million from RM691.3 million generated the previous year, driven by higher revenue contribution from its radio networks, outdoor business as well as television networks.

media prima

27 FEBRUARY 2009

4 MARCH 2009



Media Prima Welcomes Digital TV Initiative

Media Prima announced that it welcomes the digital tv initiative that was currently being studied by the government but expressed caution to ensure that any roll-out is under-taken in a transparent, independent and cost effective manner.

The Group has invested continuously in digitizing its broadcasting infrastructure and has adopted state-of-the-art digital technologies over the years to improve processes and enhance productivity, and the broadcasting infrastructure at its Sri Pentas facility in Bandar Utama, Petaling Jaya.



Media Prima Joins SMART Alliance of ASEAN Broadcasters

Media Prima became a founding member of SMART Alliance, formed by broadcasters in the region to create and deliver commercial benefits to its members by developing content, selling & marketing and technology.

The six founding members of SMART Alliance- ABS-CBN (Philippines), BBTB (Thailand), International Media Corporation (Vietnam), Media Nusantara Citra (Indonesia), MPB and MediaCorp (Singapore) - had met in Singapore to sign a Memorandum of Understanding pledging to work on specific areas.

24 MARCH 2009

28 MARCH 2009

Media Prima Berhad Gives Support to WWF's Earth Hour

As part a pledge of support for the Earth Hour campaign organized by WWF, Media Prima turned off all non-essential lights at its headquarters and broadcasting facility, Sri Pentas in Bandar Utama.

8TV, one of Media Prima's TV stations and Radio Networks, targeted at urban youth, supported to the campaign by halting its transmission for a complete 1 hour, beginning 8.30 pm till 9.30 pm on that day, joining millions, if not billions of others across the globe in making a bold statement, promoting the reduction of carbon footprint to save mother earth.



Media Prima Unveils Revamped Intranet Portal, People Connect

Media Prima unveiled its revamped intranet portal, People Connect to staff at Sri Pentas. The newly constructed intranet portal introduced a more user-friendly site in promoting the use of technology in the disseminating of information amongst staff under the Media Prima group of companies at its Sri Pentas headquarters.



13 APRIL 2009

Calendar of Significant Events

17 APRIL 2009



Media Prima Explores Opportunities in Media Related Fields in Maldives

A delegation from Media Prima led by its then Chairman, Dato' Abdul Mutalib Razak made a brief 3-day visit to the Republic of Maldives at the invitation of the Republic's Ministry for Tourism, Arts and Culture.

The purpose of the visit was to facilitate discussions on how MPB will be able to assist the Island state develop its media and broadcast industries including radio and TV. Among the areas that will be explored will be training for local media and broadcast personnel, and the sharing of expertise in the field of broadcasting, especially in the areas of management, financing, marketing, productions and technical fields.



Dato' Abdul Mutalib Razak Retires as Chairman of Media Prima, Datuk Johan Jaaffar Appointed as New Chairman

Media Prima announced that Dato' Abdul Mutalib Razak retired as the Independent Non Executive Chairman of the Board upon the conclusion of his tenure at the Group's Annual General Meeting held, leaving the leading media group that he served illustriously since 2005. Set to take over his position beginning 30 April 2009 was Malaysia's news industry veteran, Datuk Johan Jaaffar, who is also the Chairman of the Board of Dewan Bahasa dan Pustaka.

28 APRIL 2009

7 MAY 2009

Media Prima Television Networks Holds Media Appreciation Night

Media Prima's Television Networks held its annual Media Appreciation Night at the Sunway Lagoon Surf Beach in appreciation of the support given by the media during the year. The evening was made merrier with over 200 members of the media gracing the event.



Media Prima's 8TV Continues to Award Deserving Scholars

For the fourth year, 8TV together with SEGi University College continued to award deserving scholars through its annual 8TV Scholarship Fund. This year, a total of 15 recipients were selected and awarded with scholarship funds valued at RM1,000,000 million. The fund is an effort by 8TV to give back to the community by nurturing deserving young Malaysian scholars.



11 MAY 2009

15 MAY 2009



Dato' Abdul Rahman to End Tenure as Group Managing Director of Media Prima in August 2009

Media Prima announced that Dato' Abdul Rahman Ahmad will be ending his tenure as the Group Managing Director/Chief Executive Officer upon the conclusion of his present contract in August 2009.

As part of MPB's strong succession planning and transition, Dato' Amrin Awaluddin, the then CEO of TV3 was appointed as the new Chief Operating Officer, Media Prima and the designated successor to Dato' Abdul Rahman.



Hot FM, the No.1 Choice, Fly FM Doubles its Listenership

Media Prima's Malay language radio station continued to score pole position while Fly FM took a 70% leap in listener growth. According to the latest results of the first 2009 survey by the Nielsen Radio Audience Measurement, Hot FM was still the #1 radio station for the under 34-year-old demographic and was dominant in all the major market centres of Klang Valley, Johor Bharu, Penang and Ipoh.

19 MAY 2009

10 JUNE 2009

Datuk Ahmad bin Abd Talib Returns to Oversee Editorial Operations for Media Prima and NSTP

Media Prima and The New Straits Times Press (Malaysia) Berhad (NSTP) jointly announced, the appointment of Datuk Ahmad bin Abd Talib as the new Executive Director, News and Editorial Operations, Media Prima as well as the Executive Director, Editorial, NSTP. Accordingly, he was also appointed as a Board member of Media Prima and NSTP effective 1 July 2009.



Media Prima Partners With YAKEB for Malaysian Athletes' Welfare

Media Prima's flagship TV station, TV3 launched a 13-episode programme called *Bersamamu, Wira Sukan, Anda Tetap Di Hati* as a gesture of support for the 1 Ringgit 1 Malaysia campaign which was launched concurrently by YAKEB's patron, Yang Amat Berbahagia Datin Paduka Seri Rosmah Mansor at Sri Pentas.

The special edition of *Bersamamu* featured the plight of Malaysian current and former athletes and was aired beginning 8 July 2009.



15 JUNE 2009

14 JULY 2009



Media Prima and MyTV3 Team Brighten Up Paediatric Oncology Ward at PPUKM

TV3's MyTV3 team, accompanied by members of Media Prima visited the Paediatric Oncology Ward of Pusat Perubatan Universiti Kebangsaan Malaysia (PPUKM) as part of its initiative to reach out to the paediatric cancer patients.

The event was coordinated in collaboration with Cancer Associates and Kindreds Networking (CAKNe), a support group for paediatric cancer patients and their families, which also provided various forms of support and helped raise awareness on cancer and treatments that are available.



8TV, First TV Network Goes Mobile

The first of its kind in Malaysia and South East Asia, Alt Media introduced 8TV Mobile which streamed full episodes of the top 10 programmes from the young, urban and Chinese TV channel, directly to mobile phones through the mobile site mobile.8tv.com.my.

Programmes at launch date included, *Blogger Boy*, *Project NS*, *8TV Quickie*, *8TV Mandarin News*, *I Wanna Be a Model 3*, *A Cup of Love*, *Ho Chak* and more.

5 AUGUST 2009

20 AUGUST 2009

Dato' Abdul Rahman Ahmad Wins Special Achievement Award at the Asia Pacific Entrepreneurship Award 2009

Dato' Abdul Rahman Ahmad the then Group Managing Director and Chief Executive Officer of Media Prima was awarded the Special Achievement Award last night at Asia Pacific Entrepreneurship Award (APEA) 2009, Asia Pacific's most prestigious entrepreneur recognition awards in recognition of his achievements within the Asia Pacific region.



Media Prima Records Improved Performance for Q2 2009

Media Prima posted significantly improved performance for the second quarter of 2009, with Profit before Tax from continuing operations of RM23.9 million compared to a loss of RM9.4 million recorded in the first quarter of 2009. This performance was achieved on the back of an impressive 26% quarter to quarter increase in its net revenue, attributed to improving advertising spending as well as benefits accrued from stringent cost control measures instituted.



28 AUGUST 2009

28 AUGUST 2009



Amrin Awaluddin is the New Group Managing Director of Media Prima.

Media Prima announced the appointment of Dato' Amrin Awaluddin as the new Group Managing Director effective 1 September 2009. Dato' Amrin, who was Media Prima's Group Chief Operating Officer (COO), was to replace the outgoing Group Managing Director/CEO, Dato' Abdul Rahman Ahmad, who in May 2009 announced his departure from Media Prima after eight years of service upon the expiry of his contract on 31 August 2009.



New Directors on NSTP and Media Prima Boards

The New Straits Times Press (Malaysia) Berhad (NSTP) and Media Prima announced the appointments of new directors to their respective Boards.

Joining the Board of NSTP were Dato' Amrin Awaluddin as a non-independent, non-executive director and Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor as an independent non-executive director. Fateh was also appointed as an independent non-executive director to the Board of Media Prima.

4 SEPTEMBER 2009

12 SEPTEMBER 2009

Media Prima Joins Hands with Yayasan Salam for Charity

In the spirit of the holy month of Ramadhan and to celebrate the joy of Eid, Media Prima hosted a *Kacau Dodol* event at its Sri Pentas compound. Jointly organized by Yayasan Salam, a local non-governmental organization and Warisan Global, a social enterprise for entrepreneurs, the event was aimed at promoting unity and to raise funds for the underprivileged and the less fortunate.

The joyful occasion was graced by Malaysia's Federal Territories Minister, Datuk Raja Nong Chik Raja Zainal Abidin and wife who took part in stirring the dodol.



Media Prima Delivers Festive Cheer to PPUKM and PPUM Paediatric Oncology Ward Patients

In embracing the spirit of sharing in the holy month of Ramadhan and the Eid celebrations, Media Prima presented specially signed Hari Raya festive cards by TV3's renowned TV host Ally Iskandar and Hot FM radio deejay, Fara Fauzana to patients from the paediatric oncology ward at the Pusat Perubatan Universiti Kebangsaan Malaysia (PPUKM) and Pusat Perubatan Universiti Malaya (PPUM).

A total of 60 Raya goodie bags were also handed out to the hospitals as a contribution from Yayasan Salam Malaysia, a local non-profit organization aimed at encouraging volunteerism.



16 SEPTEMBER 2009

29 SEPTEMBER 2009



TV3 Remains The Number One Choice During Hari Raya

With the tagline *Inspirasi Lebaran*, TV3 remained the number one choice by obtaining 32% audience share during Hari Raya week (from 20 to 26 September 2009) among all viewers. Reflecting this domination, TV3 conquered the top 35 Hari Raya programmes list among all channels and out of the top 100 programmes for the week, only 6 were from competing channels. (Source: AGB Nielsen Media Research)



Media Prima Locks in Latest Content

Media Prima renewed a multi-year deal with The Walt Disney Company's integrated distribution arm, Disney-ABC International Television (DAIT) Asia Pacific. The agreement covered a range of live action TV series from ABC Studios, which year-on-year delivers some of the most successful series on television, including the two highest rating scripted shows on TV from the 2008/2009 season – *Grey's Anatomy* and *Desperate Housewives*.

8 OCTOBER 2009

16 OCTOBER 2009

Media Prima Consolidates Position in NSTP to Create a Leading Integrated Media Group, Proposed Acquisition to Benefit Both Shareholders

Media Prima announced its proposal to acquire Malaysia's oldest and largest newspaper publisher, The New Straits Times Press (Malaysia) Berhad (NSTP). The enlarged entity of Media Prima and NSTP will create the country's truly integrated media group offering advertisers the widest reach in terms of TV viewership, radio, outdoor, new media and print via a full range of multi-media channels.



Hot FM reaches #1, One FM Growing Fast

According to the latest Nielsen Radio Audience Measurement Survey released, Media Prima Radio Networks' (MPRN) Hot FM was the overall number one radio station in Malaysia with almost 4 million listeners under the high income group, professionals and students.

MPRN's Fly FM meanwhile maintained its number two spot in the English radio station category with a high listenership within the core target group of 18 - 30 year olds. With almost 750,000 listeners, Fly FM had the highest profile of urban listeners that constitute a staggering 90% of its total listenership.



20 OCTOBER 2009

20 OCTOBER 2009



Media Prima Divests Philippines Investment for US\$16 million

Media Prima was set to recover its investment in the Philippines following the proposed divestment of its entire 70% equity stake in its subsidiary, MPB Primedia Inc ("Primedia") to Mediaquest Holdings Inc. for US\$16 million.



Pahang Art Gallery Exhibition Launch at Sri Pentas

In conjunction with the launching of the Pahang Art Gallery- Pahang Art Exhibition on 21 October 2009, Media Prima extended its support by dedicating a space for the exhibition at Sri Pentas to help provide the artists with a strategic platform for exposure on the creations while also further widening the public's knowledge on arts. 160 pieces of work by local artistes were displayed during the 2-week exhibition.

21 OCTOBER 2009

30 OCTOBER 2009

Top Destination 2010: Media Prima TV Networks

Media Prima TV Networks' 2010 early preview featured an exciting line up of both local and international programs that will serve as top choices among its audiences for the coming year. A trusted long-term provider for local audience, TV3, ntv7, 8TV and TV9 kept the momentum going forward by reinforcing themselves as the preferred platform in the country.



Media Prima Enhances NSTP Acquisition Offer

Media Prima tabled an enhanced offer to acquire The New Straits Times Press (Malaysia) Berhad (NSTP), Malaysia's oldest and largest newspaper publisher. Under the terms of the revised offer, NSTP shareholder who accepts the offer will receive 1.20 Media Prima shares for every NSTP share. The enhancement represented an implied value of RM2.40 for each NSTP share which was higher than NSTP's last closing price of RM2.00. Media Prima also retained its original offer of 1 free warrant Media Prima for every 5 NSTP shares accepted.



NSTP

12 NOVEMBER 2009

13 NOVEMBER 2009

KURNIA OUTDOOR

Media Prima Acquires Kurnia Outdoor

Media Prima announced its acquisition of the country's second largest outdoor advertising company, Kurnia Outdoor Sdn Bhd as well as Jupiter Outdoor Network Sdn Bhd (collectively known as "Kurnia").

The acquisition not only strengthened Media Prima's hold on concession-based sites but more importantly, it provided further access to the high-end and key market centre sites that Kurnia currently operates.



Media Prima Supports YES 2009

Media Prima Berhad was the media partner for the Youth Engagement Summit 2009, an initiative organised by Regional Publisher and Sledgehammer Communications (M) Sdn Bhd.

Also known as YES, the summit brought together leading global change icons and luminaries such as the founder of LiveAid Sir Bob Geldof, Twitter co-founder Biz Stone, Facebook's Director of Market Development Randi Zuckerberg, Former World Chess Champion Garry Kasparov, World Bank's former MD Dr. Mphahlele Ramphela, the Man known as the Ultimate survivor Nando Parrado, noted former presenter for CNN and CNBC Lorraine Hahn and many more.

16 NOVEMBER 2009

17 NOVEMBER 2009

Live Aid Founder, Sir Bob Geldof Visits Sri Pentas

Media Prima welcomed Sir Bob Geldof to Sri Pentas for a presentation on the Group's operations and a lighthearted chat session with Media Prima's management.

Geldof was here in Malaysia for the YES2009 (Youth Engagement Summit) held between 16 and 17 November 2009 at the Putrajaya International Convention Centre (PICC), at which he was a speaker.



Media Prima Records Second Consecutive Quarter of Strong Growth

Media Prima recorded its second consecutive quarter of strong growth in Q3 of FY2009, which surged ahead of the previous quarter which was reflected by the 16% increase in net revenue to RM206.4 million.

With a minimal 4% increase in operating costs to RM161.4 million together with the growth in profits contributed by its associate company The New Straits Times Press (Malaysia) Berhad (NSTP), Media Prima recorded a Net Profit from Continuing Operations of RM30.99 million which represented a significant growth against the RM17.96 million recorded in Q2.

media prima

26 NOVEMBER 2009

20 NOVEMBER 2009



TV3- Malaysia's Channel of Choice (Malaysia's Most Valuable Brands)

The Association of Accredited Advertising Agents Malaysia (4As) named TV3 as one of Malaysia Most Valuable Brands (MMVB) for the 3rd consecutive year. The valuation exercise was conducted by Interbrand, one of the world's largest consultancies.



Media Prima Supports UNICEF's Tune in to Me

Media Prima proudly supported UNICEF's Tune in to Me campaign, a campaign created by UNICEF in 2009 to celebrate the 20th Anniversary of the Convention on the Rights of the Child (CRC). The campaign honours Article 12 of the convention, which celebrates children's right to be heard. Through the campaign, children were encouraged to express themselves via various platforms- at school in the media and at home.

20 NOVEMBER 2009

26 NOVEMBER 2009

Media Prima's Voting Shares in NSTP Exceeds 51%

Media Prima announced that the Group had to date received acceptance of more than 19.7 million shares or 9.1% of the paid up capital of The New Straits Times Press (Malaysia) Berhad (NSTP). With this, Media Prima holds more than 51% of the voting shares of NSTP, Malaysia's oldest and largest newspaper publisher.



NSTP

Media Prima, TV3's Jom Heboh, Cheered Paediatric Oncology Unit at PPUKM

TV3's personalities accompanied by members of Media Prima, via the Jom Heboh platform, visited the children's paediatric oncology ward of Pusat Perubatan Universiti Kebangsaan Malaysia (PPUKM) as part of its corporate responsibility initiative.



1 DECEMBER 2009

11 DECEMBER 2009



Media Prima Bags Two MSWG Awards

Media Prima was awarded "Best Mid-Capitalisation Company" and "Distinction" at the inaugural Malaysian Corporate Governance Index (MCG Index) 2009 event last night. Organised by the Minority Shareholder Watchdog Group (MSWG), the awards ceremony was held with the aim of promoting best practices in corporate governance among top 100 public listed companies in the nation.



NSTP

Media Prima Shareholders Approves Proposed Acquisition of NSTP

The Shareholders of Media Prima approved Media Prima's proposed take-over offer of The New Straits Times Press (Malaysia) Berhad (NSTP) at an Extraordinary General Meeting during which Media Prima also announced that it had received acceptance of more than 74.4 million shares from NSTP shareholders as a result of the proposed take-over offer.

The acceptance, which represented 34.23 per cent paid up capital of NSTP, meant that Media Prima at the time of the announcement, held 77.52 per cent of the voting shares in NSTP, Malaysia's oldest and largest newspaper publisher.

17 DECEMBER 2009

18 DECEMBER 2009

Asian Academy of Management Names Media Prima's Dato' Sri Farid Ridzuan as its Business Person of the Year

Dato' Sri Farid Ridzuan, Group Chief Executive Officer Television Networks, Media Prima was named the Asian Academy of Management's 'Business Person of the Year' in recognition of his presence and wide-ranging contribution to the field of business in Malaysia.

The award was presented to Dato' Sri Farid at the 8th International Conference by the Menteri Besar of Pahang, YAB Dato' Sri Adnan Haji Yaakob who officiated the opening ceremony of the conference.



Media Prima's Voting Shares in NSTP Reaches 86.06%

Media Prima announced that it received acceptance of more than 92.9 million shares or 42.77% from NSTP shareholders as a result of the proposed take-over offer, giving Media Prima a total of 86.06% of the voting shares in NSTP.

Media Prima Closed Offer, Owns Approximately 90 Percent of NSTP

Media Prima closed its extended take-over offer of New Straits Times Press (Malaysia) Berhad (NSTP) with an acceptance of 100.68 million shares or 46.4 percent from NSTP shareholders. The acceptance level gave Media Prima a total of 194.72 million or 89.6 percent voting shares in NSTP.



NSTP

30 DECEMBER 2009

More Than Just Talk

When you tune in to our radio stations, you'll hear more than just the DJs talking or the latest music – you'll also hear public service announcements to keep you informed and up-to-date, in addition to messages from partner NGOs that get free airtime from Media Prima to reach out to the public for greater awareness on issues which affect the lives of many Malaysians.





Awards and Recognition

INTERBRAND

**MALAYSIA'S MOST
VALUABLE BRANDS
(MMVB)**

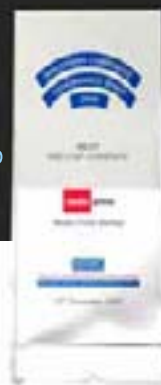
TV3



MINORITY SHAREHOLDERS
WATCHDOG GROUP (MSWG)

**BEST MID-
CAPITALISATION
COMPANY**

MEDIA PRIMA BERHAD



MALAYSIA BUSINESS
LEADERSHIP AWARD

**CSR BUSINESS
LEADERSHIP AWARD
BY KUALA LUMPUR
MALAY CHAMBER OF
COMMERCE**



2009 MALAYSIAN
FILM FESTIVAL

**BEST CURRENT
AFFAIRS/
SOCIAL
DOCUMENTARY**

PRIMEWORKS -
MAJALAH 3, GAZA



ANUGERAH SKRIN 2009

**BEST DOCUMENTARY/
MAGAZINE SHOW**

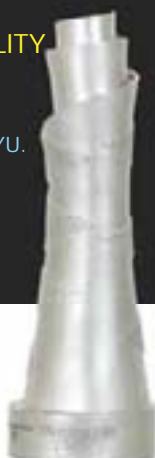
MAJALAH 3 GAZA. TV3

BEST MUSICAL SHOW

JUARA LAGU KE-23. TV3

**BEST REALITY
SHOW**

GADIS MELAYU.
TV9



MINORITY SHAREHOLDERS
WATCHDOG GROUP (MSWG)

DISTINCTION

MEDIA PRIMA BERHAD



THE BRANDLAUREATE-
SMES CHAPTER AWARDS
2009

**BEST BRANDS IN
CORPORATE
BRANDING**

BEST BRANDS IN MEDIA-
OUTDOOR
ADVERTISING

BEST BRANDS-
IN MEDIA-RADIO



AWARD	CATEGORY	RECIPIENT
Entrepreneur and Cooperative Development Ministry (MECD)	Most Innovative Medium	Media Prima Berhad
National Annual Corporate Report Awards (NACRA)	Adjudication Stage	Media Prima Berhad
ACCA Masra	Certificate of Participation	Media Prima Berhad
Interbrand	Malaysia's Most Valuable Brand	TV3
Asia Pacific Entrepreneurship Award (APEA)	Special Achievement Award	Dato' Abdul Rahman Ahmad
Malaysia Business Leadership Award	CSR Business Leadership Award	Media Prima Berhad
Minority Shareholders Watchdog Group (MSWG)	Best Mid-Capitalisation Company	Media Prima Berhad
Minority Shareholders Watchdog Group (MSWG)	Distinction	Media Prima Berhad
Asian Academy of Management (AAM)	Business Person of the Year	Dato' Sri Ahmad Farid Bin Ridzuan
Prime Minister's CSR Awards	Media Reporting	TV3
Promax Asia 2009	Best Public Announcement	8TV (Silver) - Merdeka Rasa Sayang
Advertising & Marketing Magazine	#1 Choice for Youth Market	8TV
	Out-of-Home Media Company of the Year 2009	Big Tree
14 th Annual Asian Television Awards (ATA)	Best Drama Series Best Direction Best Drama Series Best Comedy Series Best Drama Performance by an Actor	8TV - Ghost 2 (nominated) 8TV - OIAM 3 Grand Final (nominated) ntv7 - Little Nyonya (nominated) ntv7 - Mr Siao's Mandarin Class (nominated) ntv7 - Qi Yu Wu, Little Nyonya (Winner)
Anugerah Skrin 2009	Best Reality Program Best Entertainment Program Best Documentary/ Magazine Show Best Drama Series Best Musical Programme Best Reality Show Best Documentary/ Magazine Show Best Musical Show	8TV - OIAM 3 (nominated) 8TV - OIAM 3 Grand Final (nominated) 8TV - Destinasi Bajet 2 (nominated) 8TV - Alam Story (nominated) 8TV - Unzipped (nominated) TV9 - Gadis Melayu (Winner) TV3 - Gaza (Winner) TV3 - Juara Lagu 23 (Winner)
Anugerah Juara Lagu ke-23	Best Song Ballad Best Performance Best Vocal	Faizal Tahir Faizal Tahir Faizal Tahir
2009 Malaysian Film Festival	Best Director Best Screenplay Best Supporting Actor Most Promising Actress Special Jury Prize Best Supporting Actress Most Promising Actor Best Current Affairs/ Social Documentary	Primeworks - Talentime, Yasmin Ahmad Primeworks - Talentime, Yasmin Ahmad Primeworks - Talentime, Mohd Shafie Naswip Primeworks - Talentime, Jaclyn Victor Primeworks - Talentime, for Implementing Humanitarian Elements in a Motion Picture Primeworks - Bohsia, Salina Saibi Primeworks - Kami the Movie, Zahiril Adzim Primeworks - Majalah 3, Gaza
Shout Awards 2009	Best Fresh TV Show Favourite Radio Show Favourite Radio Show Favourite Radio Show Coolest Radio Announcer Coolest Radio Announcer Coolest Radio Announcer	Primeworks - Field Trip USA Fly FM - Fly FM's Pagi Show (Winner) Fly FM - Must Have Music (nominated) Fly FM - Night Flight (nominated) Fly FM - Hunny Madu (nominated) Fly FM - Phat Fabes Hot FM - Fara Fauzana

Awards and Recognition

AWARD	CATEGORY	RECIPIENT
Anugerah Bintang Popular Berita Harian	Popular New Artiste (Male) Popular Comedy Artiste (Male) Most Popular Artiste (Male)	Primeworks - Nabil Primeworks - Nabil Primeworks - Nabil
The Brand Laureate SMEs Chapter Award 2009	Best Brand in Media - Radio Corporate Branding - Best Brand in Media - Outdoor Advertising	Hot FM Big Tree
Malaysian Publication Institute (MPI) - Petronas 2008	Kajai Award Excellent Environment Journalist Award Excellent Photo Journalist Award	Berita Harian - Jalal Ali Abdul Rahim New Straits Times - Elizabeth Lisa John New Straits Times - Imran Makhzan
Health Media Award	Organ Donation Journalist Award (consolation) Health Journalist Award (consolation) Health Journalist Award (Top Prize) Certificate of Appreciation - Organ Donation	New Starits Times - Annie Freeda Cruetz New Straits Times - Annie Freeda Cruetz Harian Metro - Norlaila Hamima Jamaluddin New Straits Times
Kinabalu Shell Press Award	Main Journalism Award News Reporting Environmental Business and Economic News Reporting Award Sports Award Business and Economic Award Journalism Award Environmental Business & Economic reporting News Photography Award	New Straits Times - Jaswinder Kaur New Straits Times - Jaswinder Kaur New Straits Times - Jaswinder Kaur New Straits Times - Jaswinder Kaur New Straits Times - Roy Goh New Straits Times - Roy Goh Berita Harian - Mohd Azrone Sarabatin Berita Harian - Hasan Omar Berita Harian - Suzianah Jiffar New Straits Times - Datu Ruslan Sulai
Universiti Putra Malaysia (UPM) Media Award 2009	Productive News Journalist Best Photo Highest Research Article Coverage	Berita Harian - Basir Zahrom New Straits Times - Saifullizan Tamadi Berita Harian
Malaysia Franchise Award 2009	Special appreciation award for a media organisation for excellence and wide reporting on local franchises	New Straits Times
2009 Sabah Tourism Awards	Best Tourism Article on Sabah under the Print and Electronic Media	New Straits Times - Jaswinder Kaur
Consumerism Media Award Night	Consumerism Journalist Award (News Feature Article)	New Straits Times - Sonia Ramachandran
UMNO 2009 Mass Media Appreciation Night	Best Report Best Photo Best Sketch	Berita Harian - Ahmad Zaini Kamaruzzaman New Straits Times - Osman Adnan Berita Harian Group
Journalism Awards KAWAT - EXXON MOBIL 2009	Best News Reporting (Winner) Best News Reporting (1 st Runner up) Best Sports News Reporting (1 st Runner up)	Berita Harian - Shaarani Ismail (Winner) Berita Harian - Haneeyzah Bariah Baharin (1 st Runner up) Berita Harian - Baharom Bakar (1 st Runner up)
Universiti Malaysia Sarawak (UMS) Journalism Education Award	Best Education Journalist	Berita Harian - Hassan Omar
Dewan Bandaraya Kota Kinabalu (DBKK) dan Persatuan Wartawan Sabah dan Petronas	Anugerah Penulisan Cemerlang Datuk Bandar Kota Kinabalu 2009	Berita Harian - Mohamad Azrone Sarabatin

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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 2009.

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 and sale of newspapers, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, event management, property management services and other industry related services.

There have been no significant changes in the nature of these activities during the financial year, other than activities relating to the publishing and sale of newspapers, provision of editorial services, provision of internet based on-line services and property management as a result of the acquisition of The New Straits Times Press (Malaysia) Berhad group of companies as disclosed in Note 34(c).

The principal activities of the subsidiaries and associates are set out in Note 24 and Note 25 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year from continuing operations	251,856	110,686
Net losses from subsidiary acquired exclusively for sale	(57,056)	–
Net profit for the financial year	194,800	110,686
Attributable to:		
Equity holders of the Company	194,800	
Minority interests	–	
Net profit for the financial year	194,800	

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2008 were as follows:

	RM'000
(1) In respect of the financial year ended 31 December 2008, a final dividend of 6.7 sen gross per ordinary share on 853,811,042 ordinary shares, less income tax of 25%, paid on 28 July 2009.	42,904
(2) Special tax exempt dividend of 4.4 sen per share on 853,811,042 ordinary shares, paid on 22 December 2009.	37,634
	80,538

The Directors had on 24 February 2010 recommended the payment of a final single tier dividend of 5.6 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and will be paid on 14 July 2010 to shareholders registered on the Company's Register of Members at the close of business on 15 June 2010.

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, 91,534,640 new ordinary shares of RM1.00 each were issued by the Company comprising:

- (a) 605,600 (2008: 606,700) 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 and RM1.55 per option. The premium arising from the exercise of ESOS of RM303,110 (2008: RM385,281) has been credited to the Share Premium account.
- (b) 90,929,040 ordinary shares of RM1.00 each pursuant to the take-over of The New Straits Times Press (Malaysia) Berhad by the Company as disclosed in Note 34(c). The premium arising from the issuance of shares of RM56,376,000 has been credited to the Share Premium account.
- (c) 20,549,802 ordinary shares of RM1.00 each pursuant to the take-over of The New Straits Times Press (Malaysia) Berhad as disclosed in Note 34(c) is in the process of formal issuance as at 31 December 2009.

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

During the financial year, the Group entered into several acquisitions and divestment transactions, some of which involved the issuance of ordinary shares and warrants of the Company, as disclosed in Notes 10, 11, 16 and 34 to the financial statements.

In addition, the shareholders of the Company had on 17 December 2009, approved the issuance of RM150,000,000 nominal value of 5-year 4.95% redeemable bonds together with 50,000,000 detachable warrants on a bought deal basis and the placement by Affin Investment Bank Berhad of 50,000,000 detachable warrants to investors to be identified at a placement price to be determined later. As at 31 December 2009, as well as at the date of the approval of the financial statements, the transaction has not been completed.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS was approved by the shareholders on 7 January 2005 and became effective on 11 January 2005 for a period of five (5) years, which had expired on 10 January 2010. Details of the ESOS are set out in Note 10 to the financial statements.

DIRECTORS

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

Tan Sri Lee Lam Thye	
Shahril Ridza Ridzuan	
Tan Sri Mohamed Jawhar	
Dato' Sri Ahmad Farid Ridzuan	
Dato' Abdul Kadir Mohd Deen	
Dato' Gumuri Hussain	
Datuk Johan Jaaffar	(appointed on 30 April 2009)
Dato' Amrin Awaluddin	(appointed on 1 September 2009)
Datuk Ahmad Abd Talib	(appointed on 1 July 2009)
Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor	(appointed on 4 September 2009)
Dato' Abdul Mutalib Datuk Seri Mohamed Razak	(resigned on 28 April 2009)
Dato' Abdul Rahman Ahmad	(resigned on 31 August 2009)
Datuk Kamarulzaman Hj Zainal	(resigned on 30 June 2009)

In accordance with Article 106 of the Company's Articles of Association, Datuk Johan Jaaffar, Dato' Amrin Awaluddin, Datuk Ahmad Abd Talib and Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor, who were appointed during the financial year, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for election.

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Abdul Kadir Mohd Deen, Dato' Sri Ahmad Farid Ridzuan and Tan Sri Lee Lam Thye 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 6 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 6 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 IN SHARES

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:

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2009/At appointment date '000	Additions '000	Disposals '000	As at 31.12.2009 '000
Dato' Sri Ahmad Farid Ridzuan	190	—	—	190
Dato' Amrin Awaluddin	189	—	—	189

	Number of options over ordinary shares of RM1.00 each			
	As at 1.1.2009/At appointment date '000	Granted '000	Exercised '000	As at 31.12.2009 '000
Dato' Sri Ahmad Farid Ridzuan	350	—	—	350
Dato' Amrin Awaluddin	100	—	—	100

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:

- 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
- 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.

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

- 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
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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 except as disclosed in Note 40 to the financial statements.

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 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 25 February 2010.

DATUK JOHAN JAAFFAR

CHAIRMAN

DATO' AMRIN AWALUDDIN

GROUP MANAGING DIRECTOR

Income Statements

for the Financial Year Ended 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Continuing operations					
Revenue	2	744,029	781,290	193,813	108,986
Other operating income		10,171	33,319	-	2,130
Finance income	3	888	1,493	363	115
Programmes, film rights and album production costs					
- Amortisation		(194,387)	(208,103)	-	-
- Write off		(6,522)	(1,489)	-	-
Other direct costs		(75,609)	(77,798)	-	-
Employee benefits costs	4	(162,399)	(155,153)	(9,653)	(4,426)
Advertising and promotion expenses		(17,109)	(31,311)	(310)	(1,406)
Transmission rental and expenses		(34,631)	(35,250)	-	-
Repairs and maintenance		(12,516)	(12,848)	(200)	(69)
Utilities		(15,731)	(14,255)	(111)	(61)
Professional and consultancy fees		(4,501)	(7,059)	(1,320)	(738)
Rental of premises		(10,916)	(11,066)	-	-
License fees		(8,327)	(9,210)	-	-
Property, plant and equipment					
- Depreciation		(44,946)	(39,107)	(813)	(51)
- Impairment		(12,828)	-	-	-
- Write off		(906)	(678)	-	-
Investment properties					
- Depreciation		(254)	(271)	-	-
- Impairment		(4,081)	(132)	-	-
Amortisation of prepaid lease rentals		(152)	(334)	-	-
Allowance for doubtful debts for trade and other receivables		(12,489)	(4,010)	-	-
Allowance for doubtful debts for amount due from subsidiaries		-	-	(3,157)	-
Bad debts written off		(17,769)	(1,422)	-	-
Reversal/(allowance) of diminution in value of investment		294	(1,163)	-	-
Amortisation of intangibles		(5,207)	(6,710)	-	-
Negative goodwill from acquisition of a subsidiary		216,115	-	-	-
Other operating expenses		(46,437)	(39,690)	(7,089)	(3,926)
Profit from continuing operations	5	283,780	159,043	171,523	100,554
Finance cost	3	(24,449)	(20,308)	(22,666)	(18,318)
Share of results of an associate		16,513	20,529	-	-
Profit before taxation		275,844	159,264	148,857	82,236
Taxation	7	(23,988)	(41,561)	(38,171)	(25,597)
Net profit for the financial year from continuing operations		251,856	117,703	110,686	56,639

Income Statements

for the Financial Year Ended 31 December 2009

cont'd

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Subsidiary held exclusively for sale					
Losses from subsidiary acquired exclusively for sale		(95,294)	(45,257)	–	–
Gain on disposal of subsidiary acquired exclusively for sale		34(e) 38,238	–	–	–
Net profit for the financial year		194,800	72,446	110,686	56,639
Attributable to:					
Equity holders of the Company		194,800	86,023		
Minority interests		–	(13,577)		
Net profit for the financial year		194,800	72,446		
Basic earnings per share (sen) for:		8			
- net profit from continuing operations		29.37	13.92		
- net losses from subsidiary acquired exclusively for sale		(6.65)	(3.75)		
- net profit for the financial year		22.71	10.17		
Diluted earnings per share (sen) for:		8			
- net profit from continuing operations		29.34	13.92		
- net losses from subsidiary acquired exclusively for sale		(6.65)	(3.75)		
- net profit for the financial year		22.69	10.17		

The accounting policies on pages 120 to 136 and the notes on pages 137 to 194 form an integral part of these financial statements.

Balance Sheets

as at 31 December 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	10	945,346	853,811	945,346	853,811
Share premium	11	244,797	188,118	244,797	188,118
Other reserves	12	178,006	33,900	44,968	843
(Accumulated losses)/ retained earnings	14	(410,042)	(524,527)	89,344	58,973
		958,107	551,302	1,324,455	1,101,745
MINORITY INTERESTS		141,134	(11,533)	–	–
TOTAL EQUITY		1,099,241	539,769	1,324,455	1,101,745
NON-CURRENT LIABILITIES					
Bank guaranteed medium term notes	15	165,630	163,990	165,630	163,990
Interest bearing bank borrowings:					
- Term loans	17	215,119	49,589	215,000	49,000
Hire-purchase and lease creditors	18	11,876	14,585	–	–
Trade and other payables	19	936	950	–	–
Deferred tax liabilities	20	70,720	20,007	–	–
		464,281	249,121	380,630	212,990
		1,563,522	788,890	1,705,085	1,314,735
NON-CURRENT ASSETS					
Property, plant and equipment	21	748,025	212,553	2,677	193
Investment properties	22	53,481	13,682	–	–
Prepaid lease rentals	23	29,928	9,162	–	–
Subsidiaries	24	–	–	1,257,378	614,829
Associates	25	206,178	347,444	–	399,651
Investments	26	3,636	2,393	–	–
Prepaid transmission station rentals		2,162	2,622	–	–
Intangible assets	27	403,076	179,084	–	–
Deferred tax assets	20	39,286	19,445	–	–
		1,485,772	786,385	1,260,055	1,014,673

Balance Sheets

as at 31 December 2009

cont'd

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS					
Inventories	28	123,141	35	–	–
Trade and other receivables	29	325,267	280,180	2,026	11,521
Amounts due from subsidiaries	30	–	–	528,576	443,352
Deposits, cash and bank balances	31	149,924	51,083	38,397	6,792
Tax recoverable		1,430	3,814	–	1,952
Amount due from an associate		–	843	–	–
Non-current assets classified as held for sale	36	180	–	–	–
		599,942	335,955	568,999	463,617
Assets of subsidiary acquired exclusively for sale		–	42,402	–	–
		599,942	378,357	568,999	463,617
CURRENT LIABILITIES					
Trade and other payables	19	306,208	191,341	23,961	12,555
Amount due to subsidiaries	30	–	–	1,485	–
Amount due to an associate	32	5,753	4,282	–	–
Commercial papers	15	30,000	137,000	30,000	137,000
Interest bearing bank borrowings:					
- Term loans	17	19,229	14,845	14,000	14,000
- Bank overdrafts	17	1,399	1,674	–	–
- Revolving credits	17	33,000	–	–	–
- Bridging loan	17	53,560	–	53,560	–
- Banker's acceptance	17	59,172	–	–	–
Current tax liabilities		13,871	18,283	963	–
		522,192	367,425	123,969	163,555
Liabilities of subsidiary acquired exclusively for sale		–	8,427	–	–
		522,192	375,852	123,969	163,555
NET CURRENT ASSETS					
		77,750	2,505	445,030	300,062
		1,563,522	788,890	1,705,085	1,314,735
		Sen	Sen		
NET ASSETS PER SHARE*		101.35	64.57		

* Net assets per share is calculated by dividing the net assets of the Group by the number of ordinary shares in issue at the balance sheet date.

The accounting policies on pages 120 to 136 and the notes on pages 137 to 194 form an integral part of these financial statements.

Statements of Changes in Equity

for the Financial Year Ended 31 December 2009

Group	Note	Attributable to equity holders of the Company				Total RM'000	Minority interests RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserves RM'000	Accumulated losses RM'000			
2009								
At 1 January 2009		853,811	188,118	33,900	(524,527)	551,302	(11,533)	539,769
Currency translation differences/ income and expense recognised directly in equity		–	–	2,394	–	2,394	(54)	2,340
Net profit from continuing operations for the financial year		–	–	–	251,856	251,856	–	251,856
Losses from subsidiary acquired exclusively for sale		–	–	–	(95,294)	(95,294)	13,577	(81,717)
Gain on disposal of subsidiary acquired exclusively for sale		–	–	(2,379)	38,238	35,859	–	35,859
Subtotal		–	–	15	194,800	194,815	13,523	208,338
Issuance of shares arising from:	10,11							
- Acquisition of a subsidiary		90,929	56,376	99,966	–	247,271	139,144	386,415
- Exercise of ESOS		606	303	–	–	909	–	909
Shares not yet issued on acquisition of a subsidiary	12	–	–	34,318	–	34,318	–	34,318
Issuance of warrants for acquisition of a subsidiary	12	–	–	8,184	–	8,184	–	8,184
Warrants not yet issued for acquisition of a subsidiary	12	–	–	1,846	–	1,846	–	1,846
Final dividend paid for the financial year ended 31 December 2008	9	–	–	–	(42,904)	(42,904)	–	(42,904)
Special dividend paid	9	–	–	–	(37,634)	(37,634)	–	(37,634)
Cancellation of ESOS	12	–	–	(223)	223	–	–	–
At 31 December 2009		945,346	244,797	178,006	(410,042)	958,107	141,134	1,099,241

Statements of Changes in Equity

for the Financial Year Ended 31 December 2009

cont'd

Group	Note	Attributable to equity holders of the Company				Total RM'000	Minority interests RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserves RM'000	Accumulated losses RM'000			
2008								
At 1 January 2008		842,183	183,250	30,132	(495,952)	559,613	1,922	561,535
Currency translation differences/ income and expense recognised directly in equity		–	–	4,716	–	4,716	91	4,807
Net profit from continuing operations for the financial year		–	–	–	117,703	117,703	–	117,703
Losses from subsidiary acquired exclusively for sale		–	–	–	(31,680)	(31,680)	(13,577)	(45,257)
Subtotal		–	–	4,716	86,023	90,739	(13,486)	77,253
New subsidiary acquired exclusively for sale		–	–	–	–	–	31	31
Issuance of shares arising from:	10,11							
- Conversion of ICULS		6,182	3,092	–	–	9,274	–	9,274
- Exercise of warrants		4,839	968	(525)	–	5,282	–	5,282
- Exercise of ESOS		607	808	(423)	–	992	–	992
Final dividend paid for the financial year ended 31 December 2007	9	–	–	–	(58,301)	(58,301)	–	(58,301)
Special dividend paid	9	–	–	–	(56,297)	(56,297)	–	(56,297)
At 31 December 2008		853,811	188,118	33,900	(524,527)	551,302	(11,533)	539,769

The accounting policies on pages 120 to 136 and the notes on pages 137 to 194 form an integral part of these financial statements.

Company	Note	Share capital RM'000	Non-distributable		Distributable	Total equity RM'000
			Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	
2009						
At 1 January 2009		853,811	188,118	843	58,973	1,101,745
Net profit for the financial year		–	–	–	110,686	110,686
Issuance of shares arising from:	10,11					
- Acquisition of a subsidiary		90,929	56,376	–	–	147,305
- Exercise of ESOS		606	303	–	–	909
Shares not yet issued on acquisition of a subsidiary	12	–	–	34,318	–	34,318
Issuance of warrants on acquisition of a subsidiary	12	–	–	8,184	–	8,184
Warrants not yet issued for acquisition of a subsidiary	12	–	–	1,846	–	1,846
Final dividend paid for the financial year ended 31 December 2008	9	–	–	–	(42,904)	(42,904)
Special dividend paid	9	–	–	–	(37,634)	(37,634)
Cancellation of ESOS		–	–	(223)	223	–
At 31 December 2009		945,346	244,797	44,968	89,344	1,324,455
2008						
At 1 January 2008		842,183	183,250	1,791	116,932	1,144,156
Net profit for the financial year		–	–	–	56,639	56,639
Issuance of shares arising from:	10,11					
- Conversion of ICULS		6,182	3,092	–	–	9,274
- Exercise of warrants		4,839	968	(525)	–	5,282
- Exercise of ESOS		607	808	(423)	–	992
Final dividend paid for the financial year ended 31 December 2007	9	–	–	–	(58,301)	(58,301)
Special dividend paid	9	–	–	–	(56,297)	(56,297)
At 31 December 2008		853,811	188,118	843	58,973	1,101,745

The accounting policies on pages 120 to 136 and the notes on pages 137 to 194 form an integral part of these financial statements.

Cash Flow Statements

for the Financial Year Ended 31 December 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash flows generated from operations	35	92,840	114,078	30,014	37,635
Income tax paid		(44,170)	(46,484)	(1,925)	(161)
Net cash flow arising from operating activities:					
- Continuing operations		48,670	67,594	28,089	37,474
- Subsidiary acquired exclusively for sale		37,017	(31,290)	-	-
Net cash flow from operating activities					
		85,687	36,304	28,089	37,474
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment to scheme creditors of subsidiaries		-	(12,867)	-	(12,867)
Additional share capital in subsidiaries		-	-	-	(550)
Acquisition of subsidiaries, net of cash acquired:					
- Kurnia Outdoor Sdn Bhd		(28,852)	-	(30,087)	-
- Jupiter Outdoor Network Sdn Bhd		(3,181)	-	(3,301)	-
- One FM Radio Sdn Bhd (formerly known as Radio Wanita Sdn Bhd)		(11,237)	-	(11,237)	-
- The New Straits Times Press (Malaysia) Berhad ("NSTP")		9,490	-	(5,756)	-
Proceeds from disposal of MPB Primedia Inc		48,637	-	-	-
Part payment of purchase consideration of subsidiaries		-	(27,832)	-	(27,832)
Property, plant and equipment					
- Additions		(57,330)	(36,148)	(3,297)	(187)
- Proceeds from disposals		1,141	3,195	-	-
Investment properties					
- Proceeds from disposals		505	57,251	-	-
Prepaid lease rental					
- Proceeds from disposals		1,348	-	-	-
Proceeds from disposal of unquoted investment		-	10	-	-
Interest received		888	1,493	363	115
Dividends received		45,423	5,713	45,373	72,476
Net cash flow arising from/(used in) investing activities:					
- Continuing operations		6,832	(9,185)	(7,942)	31,155
- Subsidiary acquired exclusively for sale		-	(1,618)	-	-
Net cash flow from/(used in) investing activities					
		6,832	(10,803)	(7,942)	31,155

		Group		Company	
		2009	2008	2009	2008
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
- Term loans		(15,297)	(9,807)	(14,000)	(7,000)
- Commercial paper		(197,000)	–	(197,000)	–
- Hire-purchase and lease creditors		(5,513)	(4,405)	–	–
Drawdown of:					
- Term loan		185,229	2,047	180,000	–
- Commercial papers		90,000	37,000	90,000	37,000
- Bridging loan		53,560	–	53,560	–
Proceeds from issuance of ordinary shares arising from:					
- Exercise of warrants		–	5,282	–	5,282
- Exercise of ESOS		909	992	909	992
Restricted bank balances		(4,187)	(4,371)	(2,825)	–
Interest paid		(24,449)	(20,188)	(21,473)	(18,318)
Dividends paid to shareholders of the Company	9	(80,538)	(114,598)	(80,538)	(114,598)
Net cash flow from financing activities arising from continuing operations					
		2,714	(108,048)	8,633	(96,642)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR					
		95,233	(82,547)	28,780	(28,013)
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES					
		(386)	14	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		44,079	126,612	6,792	34,805
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	33	138,926	44,079	35,572	6,792

The accounting policies on pages 120 to 136 and the notes on pages 137 to 194 form an integral part of these financial statements.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

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, except as disclosed in this summary of significant accounting policies.

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 AD.

(a) Standards, amendments to published standards and Issues Committee ("IC") Interpretations that are effective

There is no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Group and Company's financial year ended 31 December 2009 and applicable to the Group and Company.

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

The Group and Company will apply the following new standards, amendments to standards and interpretations from the effective dates stated:

No	Financial Reporting Standards/IC Interpretations	Effective dates
1	FRS 8 "Operating Segments" Improvements to FRS 8 "Operating Segments"	1 July 2009 1 January 2010
2	FRS 139 "Financial Instruments: Recognition and measurement"	1 January 2010
3	FRS 7 "Financial Instruments: Disclosures"	1 January 2010
4	IC Interpretation 9 "Reassessment of Embedded Derivatives" Improvements to IC Interpretation 9	1 January 2010 1 July 2010
5	IC Interpretation 10 "Interim Financial Reporting and Impairment"	1 January 2010
6	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
7	FRS 123 "Borrowing Costs"	1 January 2010
8	Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" Improvements to FRS 2	1 January 2010 1 July 2010
9	IC Interpretation 11 "FRS 2: Group and Treasury Share Transactions"	1 January 2010

A BASIS OF PREPARATION (CONT'D)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective (Cont'd)

No	Financial Reporting Standards/IC Interpretations	Effective dates
10	FRS 101 (Revised) "Presentation of Financial Statements"	1 January 2010
11	FRS 3 (Revised) "Business Combinations"	1 July 2010
12	FRS 127 (Revised) "Consolidated and Separate Financial Statements"	1 July 2010
13	IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"	1 July 2010
14	IC Interpretation 17 "Distributions of Non-cash Assets to Owners"	1 July 2010

The following amendments are part of the Malaysian Accounting Standards Board's ("MASB") improvements project:

No	Financial Reporting Standards/IC Interpretations	Effective dates
1	FRS 5 "Non-current assets held for sale and discontinued operations" - Improvements to FRS 5 - Improvements to FRS 5 (Partial disposal of sale plan that results in loss of control)	1 January 2010 1 July 2010
2	FRS 107 "Statement of cash flows"	1 January 2010
3	FRS 110 "Events after the balance sheet date"	1 January 2010
4	FRS116 "Property, plant and equipment" (Consequential amendments to FRS 107 "Statement of cash flows")	1 January 2010
5	FRS 117 "Leases"	1 January 2010
6	FRS 118 "Revenue"	1 January 2010
7	FRS119 "Employee benefits"	1 January 2010
8	FRS 120 "Accounting for government grants"	1 January 2010
9	FRS 127 "Consolidated and separate financial statements"	1 January 2010
10	FRS 128 "Investments in associates"	1 January 2010
11	FRS 128 "Investments in associates" and FRS 131 "Interests in joint ventures" (Consequential amendments to FRS 132 "Financial instruments: Presentation" and FRS 7 "Financial instruments: Disclosure")	1 January 2010
12	FRS 134 "Interim financial reporting"	1 January 2010
13	FRS 136 "Impairment of assets"	1 January 2010
14	FRS 138 "Intangible Assets" - Improvements to FRS 138 (Prepayments) - Improvements to FRS 138 (Recognition of a group of complementary intangible assets acquired in a business combination)	1 January 2010 1 July 2010
15	FRS 140 "Investment property"	1 January 2010

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

A BASIS OF PREPARATION (CONT'D)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective (Cont'd)

The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the following standards and interpretations on the financial statements of the Group and Company.

- FRS 139, Amendments to FRS 139 on eligible hedged items, Improvement to FRS 139 and IC Interpretation 9
- FRS 7 and Improvement to FRS 7

Aside from FRS 139, and the proposed changes to FRS 3, FRS 8, FRS 101 and FRS 127, the adoption of the Standards, amended to published standards and IC interpretation to existing standards is not anticipated to have a material impact to the financial statements of the Group and Company.

- (c) Standards, amendments to published standards and IC interpretation that are not relevant and not yet effective for the Group's and Company's operations

No	Financial Reporting Standards/IC Interpretations	Effective dates
1	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
2	IC Interpretation 13 "Customer loyalty programmes"	1 January 2010
3	IC Interpretation 14 "FRS 119 The limit on a defined benefit asset, minimum funding requirements and their interaction"	1 January 2010
4	FRS 129 "Financial reporting in hyperinflationary economies"	1 January 2010

B BASIS OF CONSOLIDATION

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 122 ²⁰⁰⁴ "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 FRS122 ²⁰⁰⁴ 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.

B BASIS OF CONSOLIDATION (CONT'D)

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 minority 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 D 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 income statement.

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.

Minority interests represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interest that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interest result in goodwill, being the difference between any consideration paid and the relevant share of the carrying value of the net assets of the subsidiary acquired.

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 consolidated income statement.

C 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 consolidated income statement, 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.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

C ASSOCIATES (CONT'D)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; 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 income statement.

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.

D GOODWILL

Goodwill represents the excess of the cost of acquisition of subsidiaries or associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

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. See accounting policy Note L on impairment of assets.

E RESEARCH AND DEVELOPMENT

Research and development costs are charged to the income statement 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.

Development assets are tested for impairment annually in accordance with the accounting policy on impairment of assets. See accounting policy Note L on impairment of assets.

F INVESTMENTS

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 L on impairment of assets.

Quoted investments which are held for long-term are stated at lower of cost and market value, determined on the aggregate basis by each category of investments, except that if diminution in value of a particular investment is not regarded as temporary, specific allowance is made against the value of that investment.

Investments in other non-current investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the financial year in which the decline is identified.

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

G 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 income statement 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

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

At each balance sheet 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 L on impairment of assets.

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

H PREPAID LEASE RENTALS

The Directors have applied the transitional provisions of FRS 117 "Leases" for the lease of land previously recognised as property within property, plant and equipment.

Where the Group and the Company had previously classified a lease of land as finance lease and had recognised the amount of the prepaid lease rental as property within property, plant and equipment, the Group and the Company will treat the lease as an operating lease with the unamortised carrying amount being classified as prepaid lease rental.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

H PREPAID LEASE RENTALS (CONT'D)

Where the Group and the Company had previously revalued the leasehold land, the Group and the Company will retain the unamortised revalued amount as the surrogate carrying amount of lease rentals, which is amortised over the lease term.

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

I 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 income statement in the financial year of the retirement or disposal.

J 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:

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	
Upon first transmission	100

J INTANGIBLE ASSETS (CONT'D)

(a) Programmes and film rights (Cont'd)

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 L on impairment of 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. 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 L on impairment of 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 L on impairment of assets.

(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. 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 L on impairment of 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 L on impairment of assets.

K PREPAID EXPENDITURE

Prepaid expenditure is in respect of prepaid lease rentals for transmission stations, which are charged to the income statement on a straight line basis over the respective period of the leases, ranging between 31 and 36 years.

L IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life 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. More regular reviews are performed if events indicate that this is necessary.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use ("VIU"). 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

L IMPAIRMENT OF ASSETS (CONT'D)

The impairment loss is charged to the income statement unless it reverses a previous revaluation, in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to revaluation surplus.

M NON-CURRENT ASSETS HELD FOR SALE

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

N TRADE RECEIVABLES

Trade receivables are carried at invoiced amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Advanced billings are billings made to customers in advance of display rental, advertisement production works or events elapsed time. 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.

O 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.

(iii) Other inventories

Other inventories comprise mainly cost of work-in-progress incurred for events to be held in future years. The cost comprises direct labour, materials, sub-contract costs, other direct costs and related overheads.

P 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 under current liabilities on the balance sheet.

Q 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 income statement 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 life of the asset, in accordance with the annual rates stated in Note G 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 income statement on a straight line basis over the period of the lease.

R INCOME TAXES

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary or associate on distributions of retained earnings to companies in the Group.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable rights to offset and the Group intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

S 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 profit attributable to equity holders of the Company 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.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

S EMPLOYEE BENEFITS

(i) Short-term employee benefits (Cont'd)

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 income statement 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 balance sheet date are discounted to present value.

(iv) Share-based compensation

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

Employee services received in exchange for the grant of the share options are recognised as an expense in the income statement over the vesting period of the grant, 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, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance sheet date, 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 income statement, 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 when the options are exercised.

The Group has taken advantage of the transitional provisions of FRS 2 "Share-based Payment" in respect of equity instruments granted before 31 December 2004 and not vested as at 1 January 2006, and not recognised any expense in respect of these instruments.

T 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

U 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.

V 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.

Dividends on ordinary shares are recognised as a liability in the financial year in which they are declared.

W DEBT INSTRUMENTS

The debt instruments issued by the Group and the Company are as follows:

- (i) Bank guaranteed medium term notes/Commercial papers ("BGMTN/CP")
- (ii) Warrants

The carrying value of debt instruments issued by the Group and the Company is the nominal value of the debt instruments less the unamortised discount or plus the unamortised premium on issuance, if any. The discount or premium on issuance is amortised or accreted to the income statement on an effective yield basis over the duration of the debt instruments. Coupon payments arising from the debt instruments are charged to the income statement on an accrual basis.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

W DEBT INSTRUMENTS (CONT'D)

The Group has taken advantage of the exemption provided by FRS 132 "Financial Instruments: Disclosure and Presentation" not to reclassify compound financial instruments issued by the Company prior to 1 January 2003 into liability and equity components.

X 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 account upon the exercise of warrants, and warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Y BORROWINGS

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement 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 income statement.

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 balance sheet 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.

Z 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.

Revenue of the Company from the provision of procurement services to subsidiaries is recognised on an accrual basis.

Interest income of the Company is recognised on an accrual basis based on the prevailing interest rates for deposits at financial institutions and fixed rates for advances to subsidiaries. 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.

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.

Z INCOME RECOGNITION (CONT'D)

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

AA 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

(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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement 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 equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

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.

AB SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances, and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group companies within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

AC FINANCIAL INSTRUMENTS

(i) Description

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

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

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

(ii) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheets is disclosed in the individual accounting policy note associated with each item.

(iii) Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date.

In assessing the fair values of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as discounted value of future cash flows are used to determine fair values for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

AD 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 current 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 investments

The Group assesses impairment of the investments mentioned in Note F whenever the events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable i.e. the carrying amount of the investment is more than the recoverable amount.

AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Critical accounting estimates and assumptions (Cont'd)

(i) Assessment of impairment of investments (Cont'd)

Projected future cash flows are based on Group's judgements 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 assessment are disclosed in Note 24 and Note 25 to the financial statements.

(ii) Assessment of impairment of property, plant and equipment

The Group assesses impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

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 that asset 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.

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 21 to the financial statements.

(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.

(v) Assessment of impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy as stated in Note D, and whenever events or changes in circumstances indicate that the goodwill may be impaired.

For the purposes of assessing impairment, goodwill is allocated to 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.

Summary of Significant Accounting Policies

for the Financial Year Ended 31 December 2009

cont'd

AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Critical accounting estimates and assumptions (Cont'd)

(v) Assessment of impairment of goodwill (Cont'd)

Significant judgement is required in the estimation of the present value of future cash flows generated by the cash generating units or groups of cash-generating units, as this involves uncertainties and is significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill.

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 27 to the financial statements.

(vi) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 40 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. Each case is unique and therefore, the eventual outcome cannot be ascertained with virtual certainty.

(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 2009

1 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 and sale of newspapers, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, event management, property management services and other industry related services.

There have been no significant changes in the nature of these activities during the financial year, other than activities relating to the publishing and sale of newspapers, provision of editorial services, provision of internet based on-line services and property management as a result of the acquisition of The New Straits Times Press (Malaysia) Berhad group of companies as disclosed in Note 34(c).

The principal activities of the subsidiaries and associates are set out in Note 24 and Note 25 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

2 REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Advertising income	725,857	747,841	–	–
Sale of programmes, videos, cable and laser rights, and media revenue	11,287	24,532	–	–
Fees from provision of production services, sponsorship and event management services	6,885	8,917	–	–
Fees from provision of procurement services	–	–	11,127	11,046
Dividends from subsidiaries	–	–	134,727	90,417
Dividends from an associate	–	–	47,959	7,523
	744,029	781,290	193,813	108,986

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

3 FINANCE INCOME AND COST

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Finance income:				
- Interest income	(888)	(1,493)	(363)	(115)
	(888)	(1,493)	(363)	(115)
Finance cost:				
Interest expenses on				
- Irredeemable convertible unsecured loan stocks	-	71	-	71
- Bank guaranteed medium term notes	8,259	8,259	8,259	8,259
- Commercial papers	4,899	4,922	4,899	4,922
- Term loans	8,011	4,004	7,772	3,518
- Scheme creditors of subsidiaries	-	266	-	-
- Bank guarantee fee	1,570	1,548	1,570	1,548
- Hire purchase interest	1,456	1,194	-	-
- Overdraft	254	44	166	-
	24,449	20,308	22,666	18,318
Net finance cost	23,561	18,815	22,303	18,203

4 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages, salaries and bonus	129,418	119,528	7,971	3,293
Defined contribution retirement plan	17,017	15,470	1,170	942
Termination benefits	1,425	5,918	-	39
Other employee benefits	14,539	14,237	512	152
	162,399	155,153	9,653	4,426

5 PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations is stated after charging/(crediting):

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Royalties	3,034	3,192	-	-
Auditors' remuneration:				
- statutory audit	863	811	66	66
- fees for other services	-	50	-	-
- tax services	120	120	-	-
Prepaid expenditure written off	284	284	-	-
Loss on disposal of property, plant and equipment	342	279	-	-
Gain on disposal of investment properties	(165)	(3,730)	-	-
Gain on disposal of prepaid lease rentals	(448)	-	-	-
Rental income from equipment	(3,089)	(2,218)	-	-
Rental income from premises	(1,109)	(1,253)	-	-
Gross dividends from:				
- Quoted shares in Malaysia	(4)	(6)	-	-
- Property and unit trusts	(46)	(140)	-	-
Net exchange loss/(gain):				
- Realised	501	(1,099)	766	(1,050)
- Unrealised	50	34	-	-
Write back of long outstanding accruals	(573)	(20,010)	-	(1,080)
Loss on disposal of investment	-	38	-	-

6 DIRECTORS' REMUNERATION

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:				
- Fees	471	525	281	290
- Allowances	444	262	233	143
- Defined contribution retirement plan	84	48	42	24
- Other remuneration	43	170	43	130
Executive Directors:				
- Basic salaries and bonus	3,110	3,116	1,245	1,269
- Allowances	326	336	158	144
- Defined contribution retirement plan	475	562	253	233
	4,953	5,019	2,255	2,233
Estimated monetary value of benefits-in-kind	249	111	72	40

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

6 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 10) as follows:

Grant date	Expiry date	Exercise price RM/Share	Number of options over ordinary shares of RM1.00 each			
			At 1 January '000	Granted '000	Exercised '000	At 31 December '000
Financial year ended 31 December 2009						
11 January 2005	10 January 2010	1.55	450*	–	–	450
Financial year ended 31 December 2008						
11 January 2005	10 January 2010	1.55	350	–	–	350
					2009 '000	2008 '000
Number of share options vested at balance sheet date					450	350

* This includes options granted to a new Executive Director appointed during the financial year.

7 TAXATION

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax:				
- Malaysian tax	42,904	49,092	38,171	25,597
- Foreign tax	-	1,043	-	-
Deferred tax (Note 20)	42,904 (18,916)	50,135 (8,574)	38,171 -	25,597 -
	23,988	41,561	38,171	25,597
Current tax:				
- Current financial year	40,964	47,431	36,268	25,597
- Under accrual in prior financial years	1,940	2,704	1,903	-
	42,904	50,135	38,171	25,597
Deferred tax:				
- Origination and reversal of temporary differences	(18,916)	(8,867)	-	-
- Change in corporate income tax rate	-	293	-	-
	(18,916)	(8,574)	-	-
	23,988	41,561	38,171	25,597

Income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the financial year.

The explanation of the relationship between taxation and profit before taxation is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before taxation	275,844	159,264	148,857	82,236
Tax calculated at the Malaysian corporate income tax rate of 25% (2008: 26%)	68,961	41,408	37,214	21,381
Tax effects of:				
- expenses not deductible for tax purpose	22,080	7,430	9,633	4,216
- Small and Medium Enterprises tax rate	-	(67)	-	-
- income not subject to tax	(54,179)	(1,191)	(12,431)	-
- temporary differences and unutilised tax losses not recognised	7,427	4,610	1,852	-
- utilisation of previously unrecognised temporary differences and unutilised tax losses	(18,113)	(13,797)	-	-
- share of results of an associate	(4,128)	(5,338)	-	-
- under accruals in prior financial years	1,940	8,231	1,903	-
- others	-	275	-	-
Taxation	23,988	41,561	38,171	25,597

Included in income tax expense of the Group are tax savings amounting to RM4,745,303 (2008: RM2,126,775) from utilisation of tax losses and unutilised capital allowances of the current financial year.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

8 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 acquired exclusively for sale and net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

		Group 2009	2008
Net profit from continuing operations attributable to equity holders of the Company	(RM'000)	251,856	117,703
Net losses from subsidiary acquired exclusively for sale attributable to equity holders of the Company	(RM'000)	(57,056)	(31,680)
Net profit for the financial year attributable to equity holders of the Company	(RM'000)	194,800	86,023
Weighted average number of ordinary shares in issue	('000)	857,648	845,483
Basic earnings per share for:			
Net profit from continuing operations attributable to equity holders of the Company	(Sen)	29.37	13.92
Net losses from subsidiary acquired exclusively for sale attributable to equity holders of the Company	(Sen)	(6.65)	(3.75)
Net profit for the financial year attributable to equity holders of the Company	(Sen)	22.71	10.17

(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.

		Group 2009 RM'000	2008 RM'000
Weighted average number of ordinary shares in issue		857,648	845,483
Adjustments for:			
Warrants ('000)		691	—
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)		858,339	845,483

8 EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share (Cont'd)

		Group	
	Note	2009 RM'000	2008 RM'000
Diluted earnings per share for:			
Net profit from continuing operations attributable to equity holders of the Company	(Sen)	29.34	13.92
Net losses from subsidiary acquired exclusively for sale attributable to equity holders of the Company	(Sen)	(6.65)	(3.75)
Net profit for the financial year attributable to equity holders of the Company	(Sen)	22.69	10.17

For the diluted earnings per share calculation for the comparative financial year ended 2008, the weighted average number of ordinary shares in issue remains unchanged as there were no dilutive potential ordinary shares since the market prices of the ordinary share were lower than the exercise prices of the share option at RM1.46, RM1.55 or RM2.23 per option respectively.

For the diluted earnings per share calculation for the 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.

9 DIVIDENDS

	Group and Company			
	2009		2008	
	Gross dividend per share Sen	Amount of net dividend RM'000	Gross dividend per share Sen	Amount of net dividend RM'000
Final dividend, less income tax of 25% (2008 : less income tax of 26%)	6.7	42,904	9.3	58,301
Special dividend, less income tax of 26%	–	–	9.0	56,297
Special tax exempt dividend	4.4	37,634	–	–
	11.1	80,538	18.3	114,598

At the forthcoming Annual General Meeting on 15 April 2010, a final single tier dividend of 5.6 sen per ordinary share in respect of the financial year ended 31 December 2009 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2010 when approved by the shareholders.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

10 SHARE CAPITAL

	Note	Company 2009 RM'000	2008 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		853,811	842,183
Issuance of shares arising from:			
- Conversion of ICULS		-	6,182
- Exercise of warrants		-	4,839
- Exercise of ESOS	(a)	606	607
- Acquisition of a subsidiary	(b)	90,929	-
At 31 December		945,346	853,811

During the financial year, the Company increased its issued and fully paid share capital from RM853,811,042 to RM945,345,682 by way of the issuance of:

- 605,600 (2008: 606,700) 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 and RM1.55 per option. The premium arising from the exercise of ESOS of RM303,110 (2008: RM385,281) has been credited to the Share Premium account.
- 90,929,040 ordinary shares of RM1.00 each pursuant to the take-over of The New Straits Times Press (Malaysia) Berhad by the Company as disclosed in Note 34(c). The premium arising from the issuance of shares of RM56,376,000 has been credited to the Share Premium account.
- 20,549,802 ordinary shares of RM1.00 each pursuant to the take-over of The New Straits Times Press (Malaysia) Berhad as disclosed in Note 34(c) is in the process of formal issuance as at 31 December 2009.

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

Employees' Share Option Scheme ("ESOS")

The Company's ESOS was approved by the shareholders on 7 January 2005 and became effective on 11 January 2005 for a period of five (5) years, set to be expired on 10 January 2010.

The main features of the ESOS are:

- 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.
- The options granted may be exercised at any time within the option period.
- The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days 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.
- 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.
- 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.

10 SHARE CAPITAL (CONT'D)

Employees' Share Option Scheme ("ESOS") (Cont'd)

Set out below are details of options over ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/ Share	Number of options over ordinary shares of RM1.00 each				Fair value of options RM'000
			At 1 January '000	Exercised '000	Cancelled '000	At 31 December '000	
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

* FRS 2 is not applicable for these tranches.

Grant date	Expiry date	Exercise price RM/ Share	Number of options over ordinary shares of RM1.00 each			
			At 1 January '000	Exercised '000	At 31 December '000	Fair value of options RM'000
Financial year ended 31 December 2008						
11 January 2005	10 January 2010	1.55	5,447	(404)	5,043	—*
14 December 2005	10 January 2010	1.46	1,581	(112)	1,469	—*
28 February 2007	10 January 2010	2.23	3,301	(91)	3,210	843
			10,329	(607)	9,722	843

* FRS 2 is not applicable for these tranches

	2009 '000	2008 '000
Number of options over ordinary shares vested, as the end of the financial year	6,661	9,722

There are no options granted in the current and previous financial year.

There were no charges to the income statements arising from share-based payment during the financial year for the Group (2008: RM Nil) and for the Company (2008: RM Nil).

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

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11 SHARE PREMIUM

	Note	Group and Company 2009 RM'000	2008 RM'000
At 1 January		188,118	183,250
Arising from:			
- Conversion of ICULS		-	3,092
- Exercise of warrants		-	968
- Exercise of ESOS	10 (a)	303	808
- Acquisition of a subsidiary	10 (b)	56,376	-
At 31 December		244,797	188,118

12 OTHER RESERVES

	Revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Merger reserve (Note 13) 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 during the financial year	-	-	-	-	(223)	-	(223)
Currency translation differences	-	2,394	-	-	-	-	2,394
Disposal of subsidiary acquired exclusively for sale	-	(2,379)	-	-	-	-	(2,379)
Shares and warrants not yet formally issued on acquisition of a subsidiary	-	-	-	1,846	-	34,318	36,164
Acquisition of a new subsidiary	99,966	-	-	8,184	-	-	108,150
At 31 December 2009	101,258	5,443	26,337	10,030	620	34,318	178,006
2008							
At 1 January 2008	1,292	712	26,337	525	1,266	-	30,132
Exercise of warrants during the financial year	-	-	-	(525)	-	-	(525)
Exercise of ESOS during the financial year	-	-	-	-	(423)	-	(423)
Currency translation differences	-	4,716	-	-	-	-	4,716
At 31 December 2008	1,292	5,428	26,337	-	843	-	33,900

12 OTHER RESERVES (CONT'D)

	Other reserves RM'000	Warrants reserve RM'000	Share option reserve RM'000	Total RM'000
Company				
2009				
At 1 January 2009	–	–	843	843
Cancellation of ESOS during the financial year	–	–	(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
2008				
At 1 January 2008		525	1,266	1,791
Exercise of warrants during the financial year		(525)	–	(525)
Exercise of ESOS during the financial year		–	(423)	(423)
At 31 December 2008		–	843	843

13 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 2004 "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

	Group	
	2009 RM'000	2008 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

14 (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 2009 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.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

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14 (ACCUMULATED LOSSES)/RETAINED EARNINGS (CONT'D)

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 2009. Consequently, the Company can only pay single tier dividends out of its retained earnings as at 31 December 2009.

15 BANK GUARANTEED MEDIUM TERM NOTES/ COMMERCIAL PAPERS ("BGMTN/CP")

	Group and Company	
	2009	2008
	RM'000	RM'000
Current:		
CP (unsecured)	30,000	137,000
Non-current:		
4-year 4.15% BGMTN (unsecured)	70,000	70,000
5-year 4.27% BGMTN (unsecured)	100,000	100,000
	170,000	170,000
Less: Transaction costs	(8,196)	(8,196)
	161,804	161,804
Add: Accumulated amortisation of transaction costs	3,826	2,186
	165,630	163,990

In the previous financial years, the Company issued Bank Guaranteed Medium Term Notes ("BGMTN") and Commercial Papers ("CP") of RM170 million and RM137 million respectively. On 22 January 2009, 17 February 2009 and 14 July 2009, the Company issued additional CP of RM28 million, RM32 million and RM30 million respectively. As at 31 December 2009, RM197 million had been repaid. The BGMTN/CP were constituted by separate Trust Deeds dated 23 August 2007 and 28 August 2007 respectively.

The principal terms of the BGMTN and CP are as follows:

- The face value of the BGMTN is RM170 million and the CP is RM30 million;
- The CP are issued at a discount to face value of ranging from 4.00% to 4.912% (2008: 3.98% to 4.99%) per annum and shall be repayable at par;
- 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;
- The tenure of BGMTN of RM70 million and RM100 million are 4 years and 5 years from the date of issue respectively;
- The tenure of the CP is 7 years from the date of issue; and
- The maturity date of the CP is between one (1) to twelve (12) months and the BGMTN is between twelve (12) to sixty (60) months.

16 WARRANTS

On 31 July 2003, the Company issued 115,000,000 detachable warrants at an issue price of RM0.10 per warrant, which was constituted by a Trust Deed dated 17 July 2003.

The principal terms of the warrants are as follows:

- (a) 115,000,000 detachable warrants at an issue price of RM0.10 each;
- (b) The exercise price of the warrants is fixed at RM1.10 per warrant;
- (c) The warrants may be exercised at any time on or before the maturity date, 31 July 2008, falling five (5) years from the date of issue of the warrants, 31 July 2003. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;
- (d) The warrants will rank pari passu without any preference or priority among themselves including in an event of liquidation; and
- (e) The warrants are listed on Bursa Malaysia.

The warrants have expired on 31 July 2008.

Pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad ("NSTP") as disclosed in Note 34(c) ("the Take Over Offer"), 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 34(c). In conjunction with the Take Over Offer, the Company had also announced the issuance of a 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:

- (f) Up to 24,638,453 Consideration Warrants and up to 24,604,298 Bonus Warrants are to be issued for free;
- (g) The exercise price of the warrants is fixed at RM1.80 per warrant;
- (h) 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;
- (i) The warrants will rank pari passu without any preference or priority among themselves including in an event of liquidation; and
- (j) The warrants will be listed on Bursa Malaysia.

On 31 December 2009, the Company issued 15,154,832 Consideration Warrants and subsequently, on 12 January 2010, another 4,973,375 Consideration Warrants were issued.

Subsequent to the financial year end, the Company issued 24,397,244 of the Bonus Warrants to the existing shareholders of the Company registered on the Company's Registrar of Members on 5 January 2010.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

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17 INTEREST BEARING BANK BORROWINGS

Note	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current:				
Term loans (unsecured) (a)	19,229	14,000	14,000	14,000
Term loans (secured) (a)	–	845	–	–
Bridging loan (unsecured) (a)	53,560	–	53,560	–
	72,789	14,845	67,560	14,000
Revolving credit (unsecured)	33,000	–	–	–
Banker's acceptance (unsecured)	59,172	–	–	–
Bank overdrafts (unsecured) (Note 33)	1,399	1,674	–	–
	166,360	16,519	67,560	14,000
Non-current:				
Term loans (unsecured) (a)	215,000	49,589	215,000	49,000
Term loan (secured) (a)	119	–	–	–
	215,119	49,589	215,000	49,000
	381,479	66,108	282,560	63,000

The currency exposure profile of the above borrowings is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	380,903	64,339	282,560	63,000
Cedi	576	1,769	–	–
	381,479	66,108	282,560	63,000

The weighted average effective interest rates applicable to the Group and the Company are as follows:

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
For the financial year				
Term loans	5.11	5.09	5.10	4.27
Bridging loan	3.60	–	3.60	–
Bank overdrafts	17.40	8.25	–	–
Revolving credit	2.80	–	–	–
Bankers' acceptance	2.46	–	–	–

17 INTEREST BEARING BANK BORROWINGS (CONT'D)

	Group		Company	
	2009	2008	2009	2008
	%	%	%	%
As at the financial year end				
Term loans	5.11	5.10	5.10	4.27
Bridging loan	3.60	–	3.60	–
Bank overdrafts	17.40	8.25	–	–
Revolving credit	2.46	–	–	–
Bankers' acceptance	2.46	–	–	–

(a) Term loans and bridging loan

The term loans and bridging loan are repayable as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Current:				
Repayable within 12 months	72,789	14,000	67,560	14,000
Non-current:				
Repayable after 12 months:				
- between 2 and 5 years	215,000	49,589	215,000	49,000
	287,789	63,589	282,560	63,000
Secured:				
Current:				
Repayable within 12 months	–	845	–	–
Non-current:				
Repayable after 12 months:				
- between 2 and 5 years	119	–	–	–
	119	845	–	–
	287,908	64,434	282,560	63,000

Available credit facilities of the Group as at 31 December 2009 amounts to RM364 million (2008: RM46.4 million).

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

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18 HIRE-PURCHASE AND LEASE CREDITORS

This represents future instalments under hire-purchase and lease agreements, repayable as follows:

	Group	
	2009 RM'000	2008 RM'000
Finance lease liabilities:		
Minimum lease payments:		
- not later than 1 year	7,322	6,370
- later than 1 year and not later than 5 years	13,095	16,371
	20,417	22,741
Future finance charges on finance leases	(2,387)	(3,068)
Present value of finance lease liabilities	18,030	19,673
Present value of finance lease liabilities:		
- not later than 1 year	6,154	5,088
- later than 1 year and not later than 5 years	11,876	14,585
	18,030	19,673
Analysed as:		
Due within 1 year (Note 19)	6,154	5,088
Due after 1 year	11,876	14,585
	18,030	19,673

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 2009, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 3.99% (2008: 4.00%) per annum and interest for the financial year is fixed at 3.71% (2008: 3.03%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

19 TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-Current:				
Trade payables	936	950	–	–
Current:				
Trade payables	54,732	37,183	–	–
Programme rights payables	24,405	17,532	5,342	5,223
	79,137	54,715	5,342	5,223
Trade and other accruals	143,015	61,105	10,468	4,911
Other payables	68,701	65,329	8,151	2,421
Hire-purchase and lease creditors (Note 18)	6,154	5,088	–	–
Deferred income	–	310	–	–
Advanced billings	6,817	4,794	–	–
Charity of donor funds	2,384	–	–	–
	306,208	191,341	23,961	12,555
	307,144	192,291	23,961	12,555

The currency profile of trade payables and programme rights payables is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Ringgit Malaysia	71,394	35,303	486	2,558
US Dollar	6,754	17,311	4,856	2,665
EURO	–	686	–	–
Hong Kong Dollar	35	193	–	–
Indonesian Rupiah	34	34	–	–
Cedi	920	519	–	–
Singapore Dollar	–	574	–	–
Philippines Peso	–	93	–	–
Great Britain Pound	–	2	–	–
	79,137	54,715	5,342	5,223

Credit terms of trade payables range from no credit to 90 days (2008: 45 days to 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

for the Financial Year Ended 31 December 2009

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20 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 balance sheet:

	Group	
	2009 RM'000	2008 RM'000
Deferred tax assets	39,286	19,445
Deferred tax liabilities	(70,720)	(20,007)

The movement during the financial year relating to deferred tax is as follows:

	Group	
	2009 RM'000	2008 RM'000
At 1 January	(562)	(9,136)
(Charged)/credited to income statement (Note 7)		
- Property, plant and equipment	(6,700)	(9,029)
- Intangible assets		
- Programme, film rights and royalties	1,441	2,039
- Acquired concession rights (Note 27)	1,426	1,460
- Allowances and provisions	423	(364)
- Hire purchase creditors	1,250	2,485
- Unused tax losses	12,850	5,893
- Unutilised capital allowances	8,679	4,626
- Advance billings	(453)	1,464
	18,916	8,574
Acquisition of subsidiaries	(49,788)	-
At 31 December	(31,434)	(562)

20 DEFERRED TAXATION (CONT'D)

	Group	
	2009	2008
	RM'000	RM'000
Deferred tax assets (before offsetting)		
- Intangible assets	5,142	3,701
- Property, plant and equipment	40,240	–
- Allowances and provisions	6,464	489
- Hire purchase creditors	4,214	2,964
- Unused tax losses	31,633	7,998
- Advanced billings	2,504	2,949
- Unutilised capital allowances	18,362	9,683
- Others	35	–
	108,594	27,784
Offsetting	(69,308)	(8,339)
Deferred tax assets (after offsetting)	39,286	19,445
Deferred tax liabilities (before offsetting)		
- Intangible assets	(54,655)	(8,747)
- Property, plant and equipment	(85,373)	(19,599)
	(140,028)	(28,346)
Offsetting	69,308	8,339
Deferred tax liabilities (after offsetting)	(70,720)	(20,007)

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 balance sheet is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	185,848	160,530	7,410	–
Deductible temporary differences	54,043	62,079	–	–
Reinvestment allowances	402,928	–	–	–
	642,819	222,609	7,410	–
Deferred tax assets not recognised at 25% (2008: 25%)	160,705	55,652	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 benefits of subsidiaries as the respective subsidiaries in the Group have a history of losses or are dormant.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

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21 PROPERTY, PLANT AND EQUIPMENT

	Freehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broad- casting and transmission equipment at cost RM'000
Group					
2009					
Cost/valuation					
At 1.1.2009	10,540	6,027	41,958	1,770	550,952
Additions	-	-	-	-	25,047
Disposals	-	-	-	-	-
Write off	-	-	-	-	(14,957)
Acquisition of subsidiaries	79,214	-	267,666	686,248	321
Currency translation differences	-	(70)	(51)	(20)	(232)
At 31.12.2009	89,754	5,957	309,573	687,998	561,131
Accumulated depreciation					
At 1.1.2009	-	1,949	11,352	1,654	395,987
Charge for the financial year	-	90	652	15	22,295
Disposals	-	-	-	-	-
Write off	-	-	-	-	(14,931)
Acquisition of subsidiaries	-	-	79,863	382,517	134
Currency translation differences	-	(25)	(12)	(18)	(233)
At 31.12.2009	-	2,014	91,855	384,168	403,252

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 improve- ments at cost RM'000	Assets under cons- truction at cost RM'000	Structures at cost RM'000	Total RM'000
1,294	93,746	20,576	18,798	29,948	1,121	68,746	845,476
-	10,686	4,372	1,109	861	15,354	3,872	61,301
-	(461)	(271)	(1,846)	-	(376)	(69)	(3,023)
-	(8,543)	(27)	-	-	-	(62)	(23,589)
-	131,121	346	4,830	-	1,508	28,182	1,199,436
-	(30)	(5)	(43)	-	(3)	-	(454)
1,294	226,519	24,991	22,848	30,809	17,604	100,669	2,079,147
787	67,833	17,180	11,486	25,044	17	49,077	582,366
149	9,771	1,873	2,389	2,324	-	5,388	44,946
-	(303)	(62)	(1,122)	-	-	(53)	(1,540)
-	(7,711)	(5)	-	-	-	(36)	(22,683)
-	109,351	67	3,231	-	-	14,281	589,444
-	(52)	(4)	(46)	-	-	-	(390)
936	178,889	19,049	15,938	27,368	17	68,657	1,192,143

Notes to the Financial Statements

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21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant And machinery at cost RM'000	Broad- casting and transmission equipment at cost RM'000
Group 2009					
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	–
At 31.12.2009	3,265	–	50,020	42,985	36,407
Net book value					
At 31.12.2009	86,489	3,943	167,698	260,845	121,472
Group 2008					
Cost/valuation					
At 1.1.2008	10,246	5,751	41,754	1,613	522,784
Additions	294	–	–	80	27,530
Disposals	–	–	–	–	(21)
Write off	–	–	–	–	–
Currency translation differences	–	276	204	77	659
At 31.12.2008	10,540	6,027	41,958	1,770	550,952

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
-	3,975	-	910	-	-	382	50,557
-	-	-	-	-	-	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	748,025
989	85,454	17,875	16,450	29,068	1,049	65,655	798,688
305	9,282	2,890	6,115	880	61	3,828	51,265
-	(106)	-	(3,938)	-	-	(557)	(4,622)
-	(942)	(189)	-	-	-	(180)	(1,311)
-	58	-	171	-	11	-	1,456
1,294	93,746	20,576	18,798	29,948	1,121	68,746	845,476

Notes to the Financial Statements

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21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant And machinery at cost RM'000	Broad- casting and transmission equipment at cost RM'000
Group 2008					
Accumulated depreciation					
At 1.1.2008	–	1,816	10,671	1,605	376,397
Charge for the financial year	–	86	657	13	19,275
Disposals	–	–	–	(4)	(10)
Write off	–	–	–	–	–
Currency translation differences	–	47	24	40	325
At 31.12.2008	–	1,949	11,352	1,654	395,987
Accumulated impairment losses					
At 1.1.2008	3,265	–	5,618	–	36,407
At 31.12.2008	3,265	–	5,618	–	36,407
Net book value					
At 31.12.2008	7,275	4,078	24,988	116	118,558

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
677	60,811	14,560	9,260	24,700	17	43,951	544,465
110	7,703	2,752	2,793	344	–	5,374	39,107
–	(260)	(132)	(649)	–	–	(93)	(1,148)
–	(478)	–	–	–	–	(155)	(633)
–	57	–	82	–	–	–	575
787	67,833	17,180	11,486	25,044	17	49,077	582,366
–	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	212,553

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21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Property, plant and equipment (except freehold land) amounting to RM56.8 million (2008: RM53.0 million) for wholly owned subsidiaries of the Company, Natseven TV Sdn Bhd ("ntv7") and Ch-9 Media Sdn Bhd ("TV9"), were assessed for impairment. No impairment loss was required for the carrying amount of the property, plant and equipment assessed as at 31 December 2009 as the recoverable amount was in excess of the carrying amount.

The key assumptions used in the VIU calculation as at 31 December 2009 are as detailed out in Note 24 but with pre-tax discount rate of 12.24% (2008: 10.29%) and revenue compound annual growth rate ("CAGR") of 6.45% (2008: 7.40%) and 7.79% (2008: 11.60%) for ntv7 and TV9 respectively. The terminal growth rate is not used as the value in use is calculated using the budgeted projected cash flows of the property, plant and equipment for eight (8) years and six (6) years from 1 January 2010 for ntv7 and TV9 respectively being the remaining useful lives of the property, plant and equipment.

Based on the sensitivity analysis performed for ntv7, the Directors have concluded that no reasonable change in the base case assumptions would cause the carrying amount of the cash generating units to exceed their recoverable amount.

Based on the sensitivity analysis performed for TV9, if the estimated revenue growth used for the purpose of assessment of impairment had been 0.41% lower than management's estimate, the recoverable amount will equal the carrying amount. If the estimated pre-tax discount rate applied to the discounted cash flows had been 2.26% higher than the management's estimate, the recoverable amount will equal the carrying amount.

	Company	
	2009	2008
	RM'000	RM'000
Office equipment, furniture & fittings		
Cost		
At 1 January	259	72
Additions	3,297	187
At 31 December	3,556	259
Accumulated depreciation		
At 1 January	66	15
Charge for the financial year	813	51
At 31 December	879	66
Net book value		
At 31 December	2,677	193

- (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			
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

21 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
2008			
Broadcasting, transmission and production equipment	26,196	3,854	22,342
Motor vehicles	504	301	203
	26,700	4,155	22,545

22 INVESTMENT PROPERTIES

	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Group Cost				
At 1 January 2009	1,037	14,343	2,382	17,762
Acquisition of subsidiaries	8,794	50,331	–	59,125
Disposal	–	(490)	–	(490)
At 31 December 2009	9,831	64,184	2,382	76,397
Accumulated depreciation				
At 1 January 2009	–	2,085	651	2,736
Acquisition of subsidiaries	–	7,286	–	7,286
Charge for the financial year	–	206	48	254
Disposal	–	(150)	–	(150)
At 31 December 2009	–	9,427	699	10,126
Accumulated impairment losses				
At 1 January 2009	168	1,098	78	1,344
Acquisition of subsidiaries	367	6,998	–	7,365
Charge for the financial year	–	2,476	1,605	4,081
At 31 December 2009	535	10,572	1,683	12,790
Net book value				
At 31 December 2009	9,296	44,185	–	53,481

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22 INVESTMENT PROPERTIES (CONT'D)

	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Group Cost				
At 1 January 2008	1,619	14,935	2,382	18,936
Disposal	(582)	(592)	–	(1,174)
At 31 December 2008	1,037	14,343	2,382	17,762
Accumulated depreciation				
At 1 January 2008	–	2,070	605	2,675
Charge for the financial year	–	225	46	271
Disposal	–	(210)	–	(210)
At 31 December 2008	–	2,085	651	2,736
Accumulated impairment losses				
At 1 January 2008	36	1,098	78	1,212
Charge for the financial year	132	–	–	132
At 31 December 2008	168	1,098	78	1,344
Net book value				
At 31 December 2008	869	11,160	1,653	13,682

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 RM4,081,000 (2008: RM132,000) during the financial year in respect of buildings and cinema, for which the recoverable amount using the selling price based on independent professional valuation reports was lower than the carrying amount.

The fair value of the properties was estimated at RM53.8 million (2008: RM15.3 million) based on valuations by independent professionally qualified valuers in 2009. Valuations were based on current prices in an active market for all properties except for properties in certain locations where this information is not available. For these properties, the fair value was estimated by reference to open market value of properties in the vicinity.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM378,828 (2008: RM55,849).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM257,562 (2008: RM176,013).

The titles to freehold and leasehold properties included in the investment properties for the Group at net book value of RM13,116,000 (2008: Nil) 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.

23 PREPAID LEASE RENTALS

	Group	
	2009 RM'000	2008 RM'000
Cost		
At 1 January	11,326	11,014
Acquisition of subsidiaries	24,118	–
Disposal	(1,132)	–
Currency translation differences	(82)	312
At 1 December	34,230	11,326
Accumulated amortisation		
At 1 January	2,164	1,808
Acquisition of subsidiaries	2,227	–
Disposal	(232)	–
Charge for the financial year	152	334
Currency translation differences	(9)	22
At 31 December	4,302	2,164
Net book value		
At 31 December	29,928	9,162

- (a) 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.
- (b) The title to a leasehold land included in prepaid lease payments for the Group at net book value of RM6,100,000 (2008: Nil) is in the process of being transferred to the Group. Risks, rewards and effective title to the leasehold land have been passed to the Group upon unconditional completion of the acquisition of the property. The Group has submitted the relevant documents to the authorities for transfer of legal title to the Group and is awaiting the process and formalities of this transfer to be completed.

24 SUBSIDIARIES

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	660,318	614,829
Quoted shares, at cost	597,060	–
	1,257,378	614,829
Market value of quoted shares	342,090	–

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24 SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Principal activities	Interest in equity	
			2009 %	2008 %
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 (formerly known as Radio Wanita Sdn Bhd) (Note 34(d))	Malaysia	Commercial radio broadcasting	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 34(a))	Malaysia	Outdoor advertising	80	–
Jupiter Outdoor Network Sdn Bhd (Note 34(b))	Malaysia	Outdoor advertising	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
Amity Valley Sdn Bhd	Malaysia	Investment holding	100	100

24 SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Interest in equity	
			2009 %	2008 %
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 34(c))	Malaysia	Publishing and sale of newspaper and investment holding	86.06	43.29
Held by NSTP				
Asia Pacific Enterprise Computing Sdn Bhd *	Malaysia	Dormant	100	—
Berita Book Centre Sdn Bhd	Malaysia	Dormant	100	—
Berita Harian Sdn Berhad	Malaysia	Provision of Bahasa Malaysia editorial services	100	—
Berita Information Systems Sdn Bhd	Malaysia	Dormant	100	—
Bisofware Sdn Bhd *	Malaysia	Dormant	100	—
BT Information Sdn Bhd *	Malaysia	Dormant	100	—
Business Times (Malaysia) Sdn Bhd	Malaysia	Dormant	100	—
IT Publications Sdn Bhd *	Malaysia	Dormant	100	—
Marican Sdn Berhad	Malaysia	Dormant	92.5	—
New Straits Times Sdn Berhad	Malaysia	Provision of English editorial services	100	—

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24 SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Interest in equity	
			2009 %	2008 %
New Straits Times Technology Sdn Bhd	Malaysia	Dormant	100	–
NSTP e-Media Sdn Bhd	Malaysia	Internet based on-line services	100	–
Rampaian Media Sdn Bhd *	Malaysia	Dormant	100	–
Shin Min Publishing (Malaysia) Sdn Bhd	Malaysia	Dormant	89.6	–
The New Straits Times Properties Sdn Bhd	Malaysia	Property management services	100	–
Held by Kurnia Outdoor Sdn Bhd				
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	100	–
Held by Jupiter Outdoor Network Sdn Bhd				
Calcom Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	99.99	–
Lokasi Sejagat Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	100	–
Wawasan Kilat Sdn Bhd	Malaysia	Dormant	100	–
Skyten Marketing Sdn Bhd	Malaysia	Dormant	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	Malaysia	Commercial radio broadcasting	75	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

24 SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Interest in equity	
			2009 %	2008 %
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
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

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24 SUBSIDIARIES (CONT'D)

Name of Company	Country of incorporation	Principal activities	Interest in equity	
			2009 %	2008 %
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
Held by mmStudios Sdn Bhd				
MPB Primedia Inc. ^ (Note 34(e))	Philippines	Provision of airtime consultancy services	–	70

^ 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.

The Company undertook the test for impairment of its investment in ntv7 and TV9. For the purpose of such test, amounts receivable from ntv7 and TV9 accumulated from related party transactions are included as the carrying value, together with the cost of investment in those subsidiaries. No impairment loss was required for the carrying amount of investments in ntv7 and TV9 assessed as at 31 December 2009 as their recoverable amount was in excess of their carrying amount.

(a) Key assumptions used in the VIU calculations

VIU for TV9 and ntv7 are determined by discounting the future cash flows to be generated from continuing use based on the following assumptions:

- Cash flows are derived based on the projections for a period of five (5) years (2008: five (5) years). 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 pre-tax discount rate used for cash flows discounting purpose is 9.55% (2008: 10.29%) based on the estimate of weighted average cost of capital applicable for the Group.
- Growth rate for TV9 is estimated based on the growth in advertising revenue, both in spot-buys and sponsorships, arising from the re-positioning of, and re-branding exercise undertaken by TV9 targeting towards the younger Malay Urban market. The growth in content costs takes into account the costs of syndicated and in-house produced content that serves the new target market and the re-branded station. Revenue compound annual growth rate ("CAGR") of 7.84% (2008: 15.75%) over the five (5) years and terminal growth rate of 2% (2008: 2%) are the key assumptions used for the purpose of VIU calculation.

24 SUBSIDIARIES (CONT'D)

(a) Key assumptions used in the VIU calculations (Cont'd)

- iv) Growth rate for ntv7 is estimated based on the growth in advertising revenue, both in spot-buys and sponsorships, arising from the projected continued improvement in the take-up of advertising and sponsorship slots by advertisers. The growth in content costs takes into account the costs of syndicated and in-house produced content that serves the station's target market, in addition to the industry's growth trends. Revenue CAGR of 11.25% (2008: 8.86%) over the five (5) year period and terminal growth rate of 2% (2008: 2%) are the key assumptions used for the purpose of VIU calculation.
- v) The growth in overhead costs is determined based on industry trends and past performance of the stations within the Group.
- vi) Profit margins are projected based on the industry trends, together with the trends observed in other stations within the Group.

(b) Impact of possible change in key assumptions

Based on the sensitivity analysis performed for ntv7, if the estimated revenue growth used for the purpose of assessment of impairment of this investment had been 0.73% lower than management's estimate, the recoverable amount will equal the carrying amount. If the estimated pre-tax discount rate applied to the discounted cash flows had been 0.70% higher than the management's estimate, the recoverable amount will equal the carrying amount.

Based on the sensitivity analysis performed for TV9, if the estimated revenue growth used for the purpose of assessment of impairment of this investment had been 1.23% lower than management's estimate, the recoverable amount will equal the carrying amount. If the estimated pre-tax discount rate applied to the discounted cash flows had been 2.08% higher than the management's estimate, the recoverable amount will equal the carrying amount.

25 ASSOCIATES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares, at cost	222,887	49	—	—
Share of post acquisition results, net of dividends received	(16,709)	(49)	—	—
	206,178	—	—	—
Quoted shares, at cost	—	399,651	—	399,651
Share of post acquisition results, net of dividends received	—	36,556	—	—
Goodwill on acquisition written off	—	(88,763)	—	—
	—	347,444	—	399,651
Total	206,178	347,444	—	399,651
Market value of quoted shares	—	91,685	—	91,685

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25 ASSOCIATES (CONT'D)

The Group's share of revenue, profit, assets and liabilities of the associates are as follows:

	Group	
	2009 RM'000	2008 RM'000
Revenue	252,537*	250,284
Net profit for the financial year	16,513*	20,529
Non-current assets	255,954	309,963
Current assets	24,707	101,434
Current liabilities	(45,015)	(55,447)
Non-current liabilities	(29,468)	(8,506)
Share of net assets	206,178	347,444

* 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 34(c)).

Details of the associates, all of which are incorporated in Malaysia, are as follows:

Name of Company	Principal activities	Group effective Interest in equity	
		2009 %	2008 %
The New Straits Times Press (Malaysia) Berhad ("NSTP") (Note 34(c))	Publishing and sale of newspaper and investment holding	–	43.29
Sistem Network Nusantara Sdn Bhd	Dormant	49.00	49.00
Held by NSTP (Note (34(c)))			
Asia Magazines Limited (Incorporated in Hong Kong)	Dormant	23.15*	–
Business Day Co. Ltd (Incorporated in Thailand)	Dormant	40.88*	–
Malaysian Newsprint Industries Sdn Bhd	Manufacture and sale of newsprint and related paper products	18.42*	–
Laras Perkasa Sdn Bhd	Dormant	25.82*	–

* Effective interest via 86.06% interest in NSTP

25 ASSOCIATES (CONT'D)

Impairment assessment of investment in Malaysian Newsprint Industries Sdn Bhd

The carrying value of the Group's investment in Malaysian Newsprint Industries Sdn Bhd ("MNI") as at 31 December 2009 is RM206 million (2008: RM202 million). The Group undertook the test for impairment of its investment in MNI, based on a number of key assumptions as follows:

- The value in use is calculated using the budgeted cash flows of MNIs for five (5) years from 2010 to 2014 (2008: 2009 to 2013);
- A terminal value based on cash flows for 2014 at Nil (2008: Nil) growth rate has been included at the end of 2014 in the cash flow projections;
- The forecast over these periods reflect the Group's expectation of revenue growth, operating costs, capital expenditure and other cash outflow and margins based on past records and current assessment of expectations of market and industry growth;
- Optimum production levels expected to be achieved from year 2014 onwards; and
- The pre-tax discount rate used to calculate the value in use is 13% (2008: 13%).

The Group's review includes an impact assessment of changes in key assumptions. Sensitivity analysis show that no impairment loss is required for the carrying value of the investment in MNI assessed, including where realistic variations are applied to key assumptions.

26 INVESTMENTS

	Group	
	2009	2008
	RM'000	RM'000
At cost:		
Shares in corporations, quoted in Malaysia	291	291
Less: Allowance for diminution in value	(166)	(177)
	125	114
Units in property and unit trusts, quoted in Malaysia	5,210	5,210
Less: Allowance for diminution in value	(2,601)	(3,089)
	2,609	2,121
Shares in corporations, unquoted	1,037	88
Less: Allowance for diminution in value	(205)	–
	832	88
Club membership, unquoted	70	70
	3,636	2,393
At market value:		
Quoted shares	114	84
Quoted property and unit trusts	2,609	2,121

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27 INTANGIBLE ASSETS

	Programmes and film rights RM'000	Goodwill RM'000	Group Acquired concession rights and outdoor advertising rights RM'000	Acquired publishing rights and contracts RM'000	Total RM'000
At 1 January 2009	31,077	94,525	53,482	–	179,084
Additions	209,120	–	–	–	209,120
Acquisition of subsidiaries	–	30,735	23,651	166,602	220,988
	240,197	125,260	77,133	166,602	609,192
Gross amortisation during the financial year	(194,387)	–	(5,207)	–	(199,594)
Write off during the financial year	(6,522)	–	–	–	(6,522)
At 31 December 2009	39,288	125,260	71,926	166,602	403,076
At 1 January 2008	51,418	94,525	60,192	–	206,135
Additions	189,251	–	–	–	189,251
	240,669	94,525	60,192	–	395,386
Gross amortisation during the financial year	(208,103)	–	(6,710)	–	(214,813)
Write off during the financial year	(1,489)	–	–	–	(1,489)
At 31 December 2008	31,077	94,525	53,482	–	179,084

Deferred tax liabilities arising from the amortisation of the acquired concession rights of RM1,426,000 (2008: RM1,460,000) have been credited to the income statement (Note 20), resulting in net amortisation of RM3,781,000 (2008: RM5,250,000).

Included in intangible assets arising from the acquisitions during the financial year were acquired rights which have indefinite useful lives, totalling RM177,716,000 (2008: RM22,113,000). These assets are deemed to have indefinite useful lives as they are renewable with minimum costs 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. The intangible assets are tested for impairment. Based on the test performed as described below, the Directors concluded that the VIU is higher than the carrying amount of the intangible assets.

Impairment tests for goodwill

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

	Group 2009 RM'000	Group 2008 RM'000
TV	72,812	72,812
Radio	18,785	3,979
Outdoor	33,663	17,734
	125,260	94,525

27 INTANGIBLE ASSETS (CONT'D)

The Group undertakes an annual test for impairment of its CGU. No impairment loss was required for the carrying amounts of the remaining goodwill assessed as at 31 December 2009 as their recoverable amounts were in excess of their carrying amounts.

The recoverable amounts of the TV, Radio and Outdoor CGUs, are determined based on VIU calculations, using cash flow projections based on financial budgets. These forecasts and projections reflect management's expectation of revenue growth, operating costs and margins for each CGU based on past experience and future outlook.

Discount rates applied to the cash flow forecasts are derived from the Group's weighted average cost of capital at the date of the assessment of the respective CGUs.

The key assumptions used for the VIU calculations are as follows:

	2009			2008		
	TV %	Radio %	Outdoor %	TV %	Radio %	Outdoor %
Revenue growth	7.50	7.50	2.00	5.46	10.00	2.00
Pre-tax discount rate	9.55	9.55	9.55	10.29	10.29	10.29
Terminal growth rate	2.00	2.00	2.00	2.00	2.00	2.00

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.

28 INVENTORIES

	Group	
	2009 RM'000	2008 RM'000
Raw materials	122,754	—
Publication stocks	71	—
Consumable spares	282	—
Musical albums	34	35
	123,141	35

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29 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	368,353	266,140	–	–
Less: Allowance for doubtful debts	(79,842)	(42,950)	–	–
	288,511	223,190	–	–
Less: Advanced billings	(4,986)	(5,501)	–	–
	283,525	217,689	–	–
Deposits	10,492	10,110	74	2,506
Prepayments	15,460	31,084	1,330	5,297
Other receivables	186,881	187,607	622	3,718
	212,833	228,801	2,026	11,521
Less: Allowance for doubtful debts	(171,091)	(166,310)	–	–
	41,742	62,491	2,026	11,521
	325,267	280,180	2,026	11,521

The currency exposure profile of trade receivables is as follows:

	Group	
	2009 RM'000	2008 RM'000
Ringgit Malaysia	260,078	247,998
US Dollar	96,960	1,838
Cedi	10,611	15,228
Singaporean Dollar	662	850
Brunei Dollar	42	226
	368,353	266,140

Credit terms of trade receivables are payment in advance to 90 days (2008: 60 to 90 days).

30 AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company	
	2009	2008
	RM'000	RM'000
Amounts due from subsidiaries	531,733	443,352
Less: Allowance for doubtful debts	(3,157)	–
	528,576	443,352
Amount due to subsidiaries	1,485	–

The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecured, interest free and have no fixed terms of repayment except for an amount due from a subsidiary of RM83,900,000 (2008: RM Nil million) which bears interest at 5% (2008: Nil%) per annum.

31 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	69,963	39,961	7,018	5,719
Deposits with licensed financial institutions:				
- Deposits with licensed banks	23,909	7,887	2,662	977
- Deposits with licensed finance companies	10,115	1,048	–	–
- Deposits with discount houses	45,937	2,187	28,717	96
	79,961	11,122	31,379	1,073
Deposits, cash and bank balances (Note 33)	149,924	51,083	38,397	6,792

The currency exposure profile of deposits, cash and bank balances is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	149,598	50,621	38,397	6,792
Cedi	326	462	–	–
	149,924	51,083	38,397	6,792

During the financial year, the interest rates for the deposits ranged from 1.98% to 2.5% (2008: 3.00% to 3.70%) per annum for the Group and for the Company. As at 31 December 2009, the effective interest rates for the deposits ranged from 1.98% to 2.5% (2008: 3.00% to 3.70%) 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 (2008: 30 days to 365 days).

Bank balances are deposits held at call with banks and earn no interest.

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32 AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate is denominated in Ringgit Malaysia, unsecured, interest free and has no fixed terms of repayment.

33 CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits, cash and bank balances (Note 31)	149,924	51,083	38,397	6,792
Cash from subsidiary acquired exclusively for sale	-	82	-	-
Less:				
Restricted deposits:				
- Deposits with a licensed bank	(7,215)	(5,412)	(2,825)	-
- Bank balances and deposits held in respect of public donations	(2,384)	-	-	-
	140,325	45,753	35,572	6,792
Less: Bank overdrafts (Note 17)	(1,399)	(1,674)	-	-
	138,926	44,079	35,572	6,792

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 RM3,000,917 (2008: RM5,412,352), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company.
- (b) Deposits with licensed bank of 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 RM2,825,000 which have been placed with the licensed bank for term loan facilities extended to the Group.

The interest rates per annum of deposits, bank and cash balances that were effective as at the balance sheet date are as follows:

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Deposits with licensed banks	2.25	3.15	2.25	3.15

Deposits of the Group and Company have an average maturity period of 30 days (2008: 30 days). Bank balances are deposits held at call with banks and earn no interest.

34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES

- (a) Kurnia Outdoor Sdn Bhd ("Kurnia")

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 ordinary shares of RM1.00 each in Kurnia representing 100% of the issued and paid-up share capital of Kurnia.

34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(a) Kurnia Outdoor Sdn Bhd ("Kurnia") (Cont'd)

The purchase of the ordinary shares of YWS and KSH in Kurnia 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 is to be completed subsequent to the financial year end over a period of three years subject to certain conditions to be met. The aggregate purchase consideration is RM38,859,634 with an additional purchase consideration of a maximum sum of RM4,057,683 for the remaining three tranches, dependent on achievement of certain profits after tax of Kurnia and its subsidiaries. The purchase consideration is to be satisfied in cash.

The acquired business contributed revenues of RM4,624,170 and net loss of RM2,256,822 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 RM21,199,900 and RM4,769,625 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.

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 (Note 27)	14,769

The goodwill is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group and Kurnia.

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 (Note 27)	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

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34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(a) Kurnia Outdoor Sdn Bhd ("Kurnia") (Cont'd)

	Fair value RM'000	Acquiree's carrying amount RM'000
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

* Less overdraft of RM919,000.

(b) 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 57,500 ordinary shares of RM1.00 each in Jupiter representing 100% of the issued and paid-up share capital of Jupiter.

The purchase of the YWS and KSH shares in Jupiter are to be completed in four tranches with the first tranche being completed on 12 November 2009. The remaining three tranches represents 20% of the ownership interest in Jupiter to be acquired subsequent to the financial year end over a period of three years and is subject to certain condition to be met. The aggregate purchase consideration is RM3,216,366 with an additional purchase consideration of a maximum of RM233,317 dependent on achievement of certain profits after tax of Jupiter and its subsidiaries. The purchase consideration is to be satisfied via cash.

The acquired business contributed revenues of RM280,199 and net loss of RM49,550 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 RM1,319,014 and RM507,550 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.

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 (Note 27)	1,160

The goodwill is attributable to the acquired customer base and economies of scale expected from combining the operations of the Group and Jupiter.

34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(b) Jupiter Outdoor Network Sdn Bhd ("Jupiter") (Cont'd)

The assets and liabilities of Jupiter as of the date of acquisition are as follows:

	Fair value RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	468	468
Intangible assets (Note 27)	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

(c) NSTP

During the financial year, 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 RM2.00 per Offer Share, to be satisfied by the issuance of one (1) ordinary share of RM1.00 each in the Company ("MPB Share") at an issue price of RM2.40 each for every one (1) Offer Share accepted and one (1) free new warrant in MPB ("Consideration Warrant") for every five (5) Offer Shares accepted;

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.

- As at 17 December 2009, 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%.

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34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(c) NSTP (Cont'd)

On the effective date of acquisition, the Company issued 90,929,040 ordinary shares and subsequently on 31 December 2009 another 20,549,802 ordinary shares were issued in exchange for 92,899,043 ordinary share of NSTP representing 42.77% of ownership interest in NSTP.

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)

* Inclusive of Reporting Accountant's fee of RM300,000.

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 (Note 27)	166,602	-
Trade and other receivables	95,245	95,245
Cash and bank balances	15,246	15,246
Trade and other payables	(90,802)	(90,797)
Deferred tax liabilities	(42,763)	(34,447)
Borrowings	(92,172)	(92,172)
Net assets acquired	966,855	908,645

34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(c) NSTP (Cont'd)

	Fair value RM'000	Acquiree's carrying amount RM'000
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		5,756
Cash and cash equivalents in subsidiary acquired		(15,246)
Cash outflow on acquisition		(9,490)

(d) 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 net assets acquired and goodwill are as follows:

	RM'000
Purchase consideration:	
- Cash paid	11,177
- Consideration outstanding	982
- Direct costs relating to the acquisition	60
Total purchase consideration	12,219
Fair value of net liabilities acquired	2,587
Goodwill (Note 27)	14,806

The goodwill is attributable to the economies of scale expected from combining the operations of the Group and OneFM.

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34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)

(d) One FM Radio Sdn Bhd (formerly known as Radio Wanita Sdn Bhd) ("OneFM") (Cont'd)

The assets and liabilities of OneFM as of the date of acquisition are as follows:

	Fair value RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	283	283
Trade and other receivables	68	68
Trade and other payables	(2,938)	(2,938)
Net liabilities acquired	(2,587)	(2,587)
Minority interest (20%)	–	
Goodwill on acquisition	14,806	
Total purchase consideration	12,219	
Purchase consideration and direct costs relating to the acquisition settled in cash		11,237
Cash and cash equivalents in subsidiary acquired		–
Cash outflow on acquisition		11,237

(e) 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 salient terms of the transaction are as follow:

- (a) MediaQuest will acquire MSSB's entire 70% equity stake in MPI, together with all shareholder advances made to MPI, for a purchase consideration of USD16 million payable in cash.
- (b) MediaQuest will assume all third party liabilities residing in MPI.
- (c) All operating expenses from 1 October 2009 shall be borne by MediaQuest.

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 cash flows attributable to MPI are disclosed in the cash flow statement.

34 SIGNIFICANT ACQUISITION AND DISPOSAL OF SUBSIDIARIES (CONT'D)**(e) MPB Primedia, Inc. ("MPI") (Cont'd)**

The net cash flow on disposal is determined as follows:

	At date of 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

The effect of the disposal on the financial position of the Group was as follows:

	RM'000
Total assets	28,104
Total liabilities	(152,617)
Net liabilities	(124,513)
Advances written off	137,291
Foreign currency exchange reserve	(2,379)
Net disposal proceeds	(48,637)
Gain on disposal	(38,238)

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35 CASH FLOWS GENERATED FROM OPERATIONS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Net profit for the financial year from:				
Continuing operations	251,856	117,703	110,686	56,639
Subsidiary acquired exclusively for sale	(57,056)	(45,257)	-	-
	194,800	72,446	110,686	56,639
Adjustments for:				
Programmes, film rights and album production cost				
- Amortisation	194,387	208,103	-	-
- Write off	6,522	1,489	-	-
Prepaid expenditure written off	284	284	-	-
Property, plant and equipment				
- Depreciation	44,946	39,107	813	51
- Loss on disposals	342	279	-	-
- Write off	906	678	-	-
- Impairment losses	12,828	-	-	-
Investment properties				
- Depreciation	254	271	-	-
- Gain on disposal	(165)	(3,730)	-	-
- Impairment losses	4,081	132	-	-
Prepaid lease rental				
- Amortisation	152	334	-	-
- Gain on disposal	(448)	-	-	-
Amortisation of intangibles	5,207	6,710	-	-
Interest expenses	24,449	20,308	22,666	18,318
(Reversal)/allowance for diminution of investment	(294)	1,163	-	-
Allowance for diminution in value of Investment in subsidiary	-	-	119	-
Net unrealised exchange (gain)/loss	50	34	-	-
Share of results of an associate	(16,513)	(20,529)	-	-
Dividend income	(50)	(146)	(182,686)	(97,940)
Interest income	(888)	(1,493)	(363)	(115)
Taxation	23,988	41,561	38,171	25,597
Allowance for doubtful debts				
- receivables	12,489	4,010	-	-
- subsidiary	-	-	3,157	-
Bad debts written off	17,769	1,422	-	-
Amortisation of BGMTN transaction cost	1,640	1,639	1,640	1,639
Loss on disposal of investment	-	38	-	-
Negative goodwill upon acquisition written off	(216,115)	-	-	-
Gain on disposal of subsidiary	(38,238)	-	-	-
	272,383	374,110	(5,797)	4,189
Changes in working capital:				
Inventories	(282)	404	-	-
Receivables	30,533	(34,141)	8,302	(6,498)
Payables	(212,109)	(222,492)	10,422	11,708
Subsidiaries	-	-	17,087	28,236
Associates	2,315	(3,803)	-	-
Cash flows generated from operations	92,840	114,078	30,014	37,635

36 NON-CURRENT ASSETS OR DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-current assets				
Property, plant and equipment				
- leasehold buildings	180	—	—	—

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 2009, 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.

37 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year are as follows:

	Group 2009 RM'000	2008 RM'000
Property, plant and equipment obtained through:		
- contra arrangements with customers	133	3,573
- hire-purchase arrangements	3,838	11,544
Acquisition of additional interest in NSTP via issuance of ordinary shares and warrants of the Company (Note 34(c))	191,653	—

38 SIGNIFICANT RELATED PARTY TRANSACTIONS

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 directors (executive/non-executive) of the Company and includes senior management.

Key management compensation is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Key management:				
- Fees	471	525	281	290
- Basic salaries and bonus	6,237	7,727	2,160	2,636
- Allowance	1,250	1,074	546	435
- Defined contribution retirement plan	1,115	1,360	484	484
	9,073	10,686	3,471	3,845
Estimated monetary value of benefits-in-kind	371	252	152	88

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38 SIGNIFICANT RELATED PARTY TRANSACTIONS (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 10) as follows:

Grant date	Expiry date	Exercise price RM/ Share	Number of options over ordinary shares of RM1.00 each			
			At 1 January 2009 '000	Granted '000	Exercised '000	At 31 December 2009 '000
Financial year ended 31 December 2009						
11 January 2005	10 January 2010	1.55	820	–	–	820
14 December 2005	10 January 2010	1.46	450	–	(50)	400
			1,270	–	(50)	1,220

			Number of options over ordinary shares of RM1.00 each			
		Exercise price	At			At 31
	Expiry date	RM/Share	1 January 2009 '000	Granted '000	Exercised '000	December 2009 '000
Grant date						
Financial year ended 31 December 2008						
11 January 2005	10 January 2010	1.55	820	–	–	820
14 December 2005	10 January 2010	1.46	450	–	–	450
			1,270	–	–	1,270

Included in the key management compensation is Directors' remuneration as disclosed in Note 6 to the financial statements.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions which were carried out on terms and conditions attainable in transactions with unrelated parties.

38 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Name of Company		Relationship	
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	
Malaysian Newsprint Industries Sdn Bhd ("MNI")		An associate of the Group	
		Group	
		2009	2008
		RM'000	RM'000
(a) Purchase of newsprints from:			
- MNI		126,191	–
		Company	
		2009	2008
		RM'000	RM'000
(b) Fees receivable in relation to provision of procurement services to:			
- Sistem Televisyen Malaysia Berhad		4,348	5,560
- Metropolitan TV Sdn Bhd		2,840	2,353
- Natseven TV Sdn Bhd		2,497	1,540
- Ch-9 Media Sdn Bhd		1,436	1,412
(c) Purchase of advertisement slots from:			
- NSTP		209	321
(d) Dividends received/receivable net of tax from:			
- Sistem Televisyen Malaysia Berhad		79,982	47,808
- Big Tree Outdoor Sdn Bhd		13,739	15,000
- NSTP		45,372	55,687
- UPD Sdn Bhd		1,261	4,100
- Synchrosound Studio Sdn Bhd		9,000	–

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.

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39 COMMITMENTS

(a) Capital commitments

	Group	
	2009 RM'000	2008 RM'000
Capital commitments, approved but not contracted for		
- Property, plant and equipment	90,590	55,103
- Programmes and film rights	303,480	289,103
	394,070	344,206
Share of an associate's capital commitments	1,033	14,315

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2009 RM'000	2008 RM'000
- Not later than 1 year	12,050	10,994
- Later than 1 year and not later than 5 years	47,798	9,217
- Later than 5 years	134,050	-
	193,898	20,211

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.

40 CONTINGENT LIABILITIES

(a) Material litigation

- (i) A claim of RM100 million (2008: RM100 million) for defamation action was brought against STMB for words mentioned and visual broadcasting during its news programme in 1998. The High Court on 28 June 2007, dismissed the Plaintiff's claim. The Plaintiff appealed, which is now pending. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (ii) Three claims totalling RM270 million (2008: RM270 million) for defamation action was brought against STMB for visual images and statements made during its news programme broadcasted in 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 (2008: RM100 million) for defamation action was brought against a subsidiary, ntv7, for visual images and statements made during its programme in 2004. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (iv) Two claims totalling RM11 million (2008: RM11 million) for defamation brought against a subsidiary, STMB for words mentioned during its news programme and other 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.

40 CONTINGENT LIABILITIES (CONT'D)

(a) Material litigation (Cont'd)

- (v) A new claim totalling RM5 million for defamation brought against a subsidiary, STMB for words mentioned during its documentary programme broadcasted in 2007. The directors are of 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 RM9.8 million (2008: RM13 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 is 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 2009, there are a total of 105 suits (2008: 98 suits) against NSTP of which 101 (2008: 94) suits are based on defamation with the remaining 4 (2008: 4) suits being employment claims.

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 2009 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.

41 SEGMENTAL ANALYSIS

(a) Primary reporting format – business segment

The Group operates primarily within one business segment namely commercial television broadcasting and related services. Other operations of the Group consist of the activities set out in Note 1 to the financial statements, none of which are of a significant size to be reported separately.

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

41 SEGMENTAL ANALYSIS (CONT'D)

(b) Secondary reporting format – geographical segment

The Group operates in two main geographical areas as shown below:

	Revenue RM'000	Losses from subsidiary acquired exclusively for sale RM'000	Capital expenditure RM'000	Total segment assets* RM'000
2009				
Malaysia	724,817	–	59,733	2,020,402
Republic of Ghana	19,212	–	1,568	24,596
Philippines	–	(95,294)	–	–
	744,029	(95,294)	61,301	2,044,998
2008				
Malaysia	754,820	–	49,084	1,062,388
Republic of Ghana	26,470	–	2,181	36,693
Philippines	–	(45,257)	–	42,402
	781,290	(45,257)	51,265	1,141,483

* Excludes deferred tax assets and tax recoverable

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year, the Group entered into several acquisitions and divestment transactions, some of which, involved issuance of ordinary shares and warrants of the Company, as disclosed in Notes 10,11,16 and 34 to the financial statements.

In addition, the shareholders of the Company had on 17 December 2009, approved the issuance of RM150,000,000 nominal value of 5-year 4.95% redeemable bonds together with 50,000,000 detachable warrants on a bought deal basis and the placement by Affin Investment Bank Berhad of 50,000,000 detachable warrants to investors to be identified at a placement price to be determined later. As at 31 December 2009, as well as at the date of the approval of the financial statements, this transaction has not been completed.

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

43 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the net present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

The carrying values of financial assets and financial liabilities of the Group and the Company at the balance sheet date approximated their fair values, except as set out below:

	2009		2008	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Investments				
- Quoted shares [^]	125	114	114	84
Bank guaranteed medium term notes *	165,630	170,000	163,990	170,000
Term loans (unsecured) (non-current) *	215,119	213,474	49,589	51,974
Company				
Bank guaranteed medium term notes *	165,630	170,000	163,990	170,000
Term loans (unsecured) (non-current) *	215,000	213,474	49,000	51,241

* The fair value of these financial instruments has been estimated using future contractual cash flows discounted at current market interest rates available for similar financial instruments/loans.

[^] The fair value of these items has been estimated using quoted market prices at balance sheet date.

44 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

- foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- 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
- 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

Notes to the Financial Statements

for the Financial Year Ended 31 December 2009

cont'd

44 FINANCIAL RISK MANAGEMENT (CONT'D)

- 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
- 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) Foreign currency exchange risk

The Group operates internationally and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currency.

The exposure of the Group to currency fluctuations of Ringgit Malaysia to the US Dollar is constantly monitored by management. The exposure of the Group to other currency fluctuations are minimal.

(b) Fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt.

(c) Price risk

For key product purchases, the Group establishes floating and fixed price levels that the Group considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels.

(d) 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.

(e) Liquidity risk and cash flow interest rate risk

The Group manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding requirements are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

45 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 February 2010.

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 111 to 194 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 2009 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 25 February 2010.

DATUK JOHAN JAAFFAR
CHAIRMAN

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR

Statutory Declaration

Pursuant to section 169 (16) of the Companies Act, 1965

I, Amil Izham Hamzah, 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 111 to 194 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.

AMIL IZHAM HAMZAH

Subscribed and solemnly declared by the above named Amil Izham Hamzah, at Petaling Jaya, Malaysia on 25 February 2010, before me.

COMMISSIONER FOR OATHS

Report of the Auditors

to the members of Media Prima Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Media Prima Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements 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 111 to 194.

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, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 2009 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 accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 24 to the financial statements.
- (c) We are satisfied that the accounts 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 accounts of the subsidiaries did not contain any material qualification or any adverse comment made under Section 174(3) of the Act.

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

THAYAPARAN A/L S. SANGARAPILLAI

(No. 2085/09/10 (J))

Chartered Accountant

Kuala Lumpur

25 February 2010

Analysis of Shareholdings

as at 25 February 2010

Authorised Capital	:	RM2,000,000,000
Issued and Paid Capital	:	RM977,237,389
Class of Shares	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	29,213

DISTRIBUTION OF SHAREHOLDINGS

As at 25 February 2010

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	4,984	17.06	210,141	0.02
100 - 1,000	12,914	44.21	6,433,404	0.66
1,001 - 10,000	9,772	33.45	30,238,768	3.09
10,001 - 100,000	1,272	4.35	32,399,272	3.32
100,001 to less than 5% of issued shares	268	0.92	480,989,325	49.22
5% and above of issued shares	3	0.01	426,966,479	43.69
Total	29,213	100	977,237,389	100.00

DIRECTORS' SHAREHOLDINGS

As at 25 February 2010

Names	No. of Shares	%
1 Datuk Johan Bin Jaaffar	—	—
2 Dato' Amrin Bin Awaluddin	289,033	0.03
3 Dato' Sri Ahmad Farid Bin Ridzuan	540,000	0.06
4 Shahril Ridza Bin Ridzuan	—	—
5 Tan Sri Lee Lam Thye	—	—
6 Tan Sri Mohamed Jawhar	—	—
7 Dato' Abdul Kadir Bin Mohd Deen	—	—
8 Dato' Gumuri Bin Hussain	—	—
9 Datuk Ahmad Bin Abd Talib	—	—
10 Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	—	—
Total	829,003	0.09

SUBSTANTIAL SHAREHOLDERS

As at 25 February 2010

Names	No. of Shares	%
1 Employees Provident Fund Board	216,102,938	22.11
2 Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	123,023,070	12.59
3 Amanah Raya Berhad	123,023,070*	12.59
4 Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	87,840,471	8.99
Total	426,966,479	43.69

* Deemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd

THIRTY (30) LARGEST SHAREHOLDERS

As at 25 February 2010

	Names	No. of Shares	%
1	Employees Provident Fund Board	216,102,938	22.11
2	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	123,023,070	12.59
3	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	87,840,471	8.99
4	Kumpulan Wang Persaraan (Diperbadankan)	38,837,180	3.97
5	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 21B6 For The Oakmark International Small Cap Fund	32,361,000	3.31
6	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (U.K.)	26,793,600	2.74
7	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	18,682,683	1.91
8	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	16,773,560	1.72
9	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Hongkong and Shanghai Banking Corporation Limited (HBFS-B CLT 500)	13,791,320	1.41
10	Amanahraya Trustees Berhad Public Smallcap Fund	12,974,780	1.33
11	HSBC Nominees (Tempatan) Sdn Bhd Nomura Asset Mgmt Malaysia for Employees Provident Fund	12,147,200	1.24
12	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M For Bill and Melinda Gates Foundation Trust	11,890,300	1.22
13	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Public Regular Saving Fund (N14011940100)	11,663,120	1.19
14	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank of New York Mellon (Mellon Acct)	11,023,600	1.13
15	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Brooklawn House	10,250,000	1.05
16	Valuecap Sdn Bhd	9,513,300	0.97

Analysis of Shareholdings

as at 25 February 2010

cont'd

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

As at 25 February 2010

	Names	No. of Shares	%
17	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	7,741,460	0.79
18	Maybank Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	7,141,140	0.73
19	Pertubuhan Keselamatan Sosial	6,971,600	0.71
20	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 59DS For Oregon Public Employees Retirement System	6,613,000	0.68
21	HSBC Nominees (Asing) Sdn Bhd Exempt For JPMorgan Chase bank, National Association (Norges BK Lend)	6,225,700	0.64
22	Amanahraya Trustees Berhad Public Sector Select Fund	6,001,600	0.61
23	Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank For Comgest Growth Gem Promising Companies (Comgest GR PLC)	6,000,000	0.61
24	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund NP9Q For Ontario Teachers' Pension Plan Board	5,481,500	0.56
25	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Management Sdn Bhd For Telekom Malaysia Berhad ©	5,222,214	0.53
26	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Matthews Asia Pacific Equity Income Fund	4,931,200	0.50
27	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA For Fidelity Funds Malaysia	4,880,800	0.50
28	HSBC Nominees (Asing) Sdn Bhd Exempt Ann For J.P. Morgan Bank Luxembourg S.A. PLC (IPB Client ACCT)	4,565,000	0.47
29	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	4,440,840	0.45
30	Mayban Nominees (Tempatan) Sdn Bhd HwangDBS Investment Management Bhd for Employees Provident Fund (230571)	4,382,840	0.45
	Total	734,267,016	75.11

Analysis of Warrant Holdings

as at 25 February 2010

Number of Outstanding Warrants	:	44,525,421
Exercise Price of Warrants	:	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 25 February 2010

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrant Holdings
Less than 100	21,488	79.89	510,700	1.15
100 - 1,000	4,281	15.92	1,327,341	2.98
1,001 - 10,000	839	3.12	2,696,149	6.05
10,001 - 100,000	238	0.88	7,305,670	16.41
100,001 to less than 5% of issued warrants	48	0.18	17,243,902	38.73
5% and above of issued warrants	3	0.01	15,441,659	34.68
Total	26,897	100	44,525,421	100.00

DIRECTORS' WARRANT HOLDINGS

As at 25 February 2010

Names	No. of warrants	%
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 Shahril Ridza Bin Ridzuan	—	—
5 Tan Sri Lee Lam Thye	—	—
6 Tan Sri Mohamed Jawhar	—	—
7 Dato' Abdul Kadir Bin Mohd Deen	—	—
8 Dato' Gumuri Bin Hussain	—	—
9 Datuk Ahmad Bin Abd Talib	—	—
10 Dato' Fateh Iskandar Bin Tan Sri Dato' Mohamed Mansor	—	—
Total	10,828	0.02

Analysis of Warrant Holdings

as at 25 February 2010

cont'd

SUBSTANTIAL WARRANT HOLDERS

As at 25 February 2010

	Names	No. of Warrants	%
1	Employees Provident Fund Board	9,416,988	21.15
2	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	3,514,944	7.89
3	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	2,509,727	5.64
	Total	15,441,659	34.68

THIRTY (30) LARGEST WARRANT HOLDERS

As at 25 February 2010

	Name of Warrant Holders	No. of Warrants	%
1	Employees Povident Fund Board	9,416,988	21.15
2	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	3,514,944	7.89
3	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	2,509,727	5.64
4	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 21B6 For The Oakmark International Small Cap Fund	1,058,457	2.38
5	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Opportunity Fund (3969)	1,016,920	2.28
6	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	1,012,850	2.27
7	Amanahraya Trustees Berhad Public Smallcap Fund	921,940	2.07
8	HSBC Nominees (Tempatan) Sdn Bhd Nomura Asset Mgmt Malaysia for Employees Provident Fund	844,205	1.90
9	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Saham Amanah Sabah (Acc 2-940410)	834,968	1.88
10	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Public Balance Fund (N14011950210)	794,811	1.79

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

As at 25 February 2010

	Name of Warrant Holders	No. of Warrants	%
11	HSBC Nominees (Asing) Sdn Bhd Exempt For JPMorgan Chase bank, National Association (U.K.)	765,531	1.72
12	Alliancegroup Nominees (Tempatan) Sdn Bhd Pheim Asset Management Sdn Bhd for Employees Provident Fund	740,140	1.66
13	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	619,631	1.39
14	Dushyanthi Perera	600,000	1.35
15	Malaysia Nominees (Tempatan) Sendirian Berhad Great Estern Life Assurance (Malaysia) Berhad (PAR 1)	509,337	1.14
16	Mayban Nominees (Tempatan) Sdn Bhd HwangDBS Investment Management Bhd for Employee Provident Fund (230571)	463,231	1.04
17	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M For Bill and Melinda Gates Foundation Trust	404,342	0.91
18	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Hongkong and Shanghai Banking Corporation Limited (HBFS-B CLT 500)	394,037	0.88
19	HLG Nominee (Tempatan) Sdn Bhd CIMB Bank for Len Book Learn (M66002)	363,400	0.82
20	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Bank of New York Mellon (Mellon Acct)	355,851	0.80
21	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Brooklawn House	292,857	0.66
22	Valuecap Sdn Bhd	278,334	0.63
23	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	276,257	0.62
24	Mayban Nominees (Tempatan) Sdn Bhd Tan Yong Wei	272,600	0.61
25	Heng Mok Seng	268,000	0.60

Analysis of Warrant Holdings

as at 25 February 2010

cont'd

THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

As at 25 February 2010

	Name of Warrant Holders	No. of Warrants	%
26	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Han Wah	250,000	0.56
27	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for HwangDBS Select Fund (4850)	249,840	0.56
28	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 59DS For Oregon Public Employees Retirement System	223,840	0.50
29	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	217,640	0.49
30	Tee See Kim	210,000	0.47
	Total	29,680,678	66.66

List of Properties

as at 31 December 2009

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
Country Height The Mines Resort City 43300 Seri Kembangan Selangor	Leasehold	99 years Expiry : 2091	5-May-01	14,863 sq ft	Bungalow house including furniture	10	2,610,768
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	106,647
Pandan Ville Condominium Block B Jalan Pandan Indah 1/16 Pandan Indah 55100 Kuala Lumpur	Leasehold	99 years Expiry : 2091	1-Oct-01	8 units x 1,587 sq ft	Condominium	11	1,555,847
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	522,415
Sri Intan Condominium No. 2, Jalan Terolak 6 Off Jalan Batu 5, Jalan Ipoh 51200 Kuala Lumpur	Freehold	–	21-Aug-96	2 units x 2,220 sq ft	Condominium	10	738,048
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 9	1,596,364
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 43,560 sq ft	Residential land	8	376,346

List of Properties

as at 31 December 2009

cont'd

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
Lembah Beringin P.T. No 2134 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 53,561 sq ft	Residential land	8	410,049
Lembah Beringin Lot No. 60 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	21-Sep-04	1 unit x 10,934 sq ft	Residential land	3	70,000
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	70,000
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	120,097
Unit No. 102 Jalan Seksyen 3/3, Seksyen 3, Kajang Utama, 43000 Kajang, Selangor	Freehold	–	14-May-04	942 sq ft	Apartment	3	85,554
Lot No. 76 Jalan Seksyen 3/3 Seksyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	–	14-May-04	1,650 sq ft	Commercial building	3	433,338
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	555,354 627,187 239,187 622,062

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
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
Lot No. 2.30	Leasehold	99 years Expiry : 2093	15-Sep-04	603.88 mts	Commercial building	3	1
Lot No. 2.31	Leasehold		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		15-Sep-04	596.99 mts	Commercial building	3	1
Lot No. 2344/45 Puncak Alam, Mukim of Jeram , Selangor	Freehold	–	9-Aug-06	4,292 sq ft	Double storey terrace	1	275,229
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	7,562 sq ft	Commercial building	–	8,906,299

List of Properties

as at 31 December 2009

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Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
No. 9-2b, Jalan Desa 9/4 Bandar Country Homes 48000 Rawang, Selangor	Freehold	—	28-Dec-98	695 sq ft	Office Unit	9	42,458
31, Jalan Riong Off Jalan Bangsar Kuala Lumpur	Freehold	—	1972	7,820 sq mts	Head Office and printing plant	37	9,113,399
9, Jalan Liku Kuala Lumpur	Freehold	—	1986	6,900 sq mts	Printing plant extension	18	45,741,300
Lot No. 323, 324 & 325 Jln Bangsar Utama 1 Bangsar Utama 59000 Kuala Lumpur	Leasehold	99 years Expiry : 2085	1994	1,859 sq mts	5 - storey shop office	23	7,400,000
No.16, Jln U8/88 Bukit Jelutong Ind. Park 40000 Shah Alam, Selangor	Freehold	—	1995	141,691 sq mts	Regional printing plant	9	110,002,828
24, Jln SS2/61 Petaling Jaya, Selangor	Freehold	—	1981	565 sq mts	3 1/2 - storey shophouse	28	2,973,282
No.9, Jln Pulau Pinang 2 Newcity Business Centre Meru, Klang, Selangor	Freehold	—	1996	766 sq mts	4 1/2 - storey shop office	13	829,095
Lot 33 Jln Sultan Mohamed 1 Jln Lebu 1 Kaw. Perindustrian Bandar Sultan Sulaiman Pelabuhan Klang Utara Klang, Selangor	Leasehold	99 years Expiry : 2091	1991	12,746 sq mts	Warehouse	18	11,921,881
Leisure Commerce Square Blk 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	1,204,540
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	715,595

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
GG P5, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry : 2088	2002	130 sq mts	Townhouse	7	300,000
SG P2, Country Villas Country Heights, Kajang Selangor	Leasehold	99 years Expiry : 2088	2002	130 sq mts	Townhouse	7	300,000
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	2,580,693
Lot No. 058, Phase 4B Bandar Tasik Kesuma 43700 Beranang Selangor	Freehold	–	2004	1,468 sq mts	Single storey house	5	175,000
Unit B-3-12, Fasa 3C Pesona Apartment Jln Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	–	2000	100 sq mts	Walk-up apartment	9	120,000
Unit B-3-12A, Fasa 3C Pesona Apartment Jln Seksyen 3/1A Taman Kajang Utama 43000 Kajang, Selangor	Freehold	–	2000	96 sq mts	Walk-up apartment	9	115,000
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	3,947,885
Mukim 1 Kawasan Perusahaan Prai, Seberang Prai Pulau Pinang	Leasehold	99 years Expiry : 2035	1998	8,100 sq mts	Regional printing plant	9	17,612,541
No.33 Jln Sultan Ahmad Shah Pulau Pinang	Freehold	–	1992	657 sq mts	2 1/2 - detached office block	17	4,800,000
Lot T2 & T3 Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry : 2043	1978	73,700 sq mts	Regional printing plant	30	4,480,000

List of Properties

as at 31 December 2009

cont'd

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
Lot PL02 Kawasan Zon Perdagangan Bebas Senai, Johor	Leasehold	99 years Expiry : 2043	1997	62,560 sq mts	Regional printing plant extension	12	22,640,000
Lot 11141, Tampoi Commercial Centre Johor Bahru, Johor	Leasehold	99 years Expiry : 2081	1990	830 sq mts	3 - storey shophouse	19	798,000
Kawasan Perindustrian Ajil Hulu Terengganu Terengganu	Leasehold	60 years Expiry : 2057	1998	58,436 sq mts	Regional printing plant	9	27,223,440
No. 1107-U, Jln Pejabat Kuala Terengganu Terengganu	Freehold	—	1981	452 sq mts	3 - storey shophouse	28	950,000
235, Jln Taman Taman Melaka Raya Melaka	Leasehold	99 years Expiry : 2075	1981	381 sq mts	3 - storey shophouse	28	469,564
No.89, Jalan Toman 5 Kemayan Square Off Jalan Sg. Ujong, Seremban Negeri Sembilan	Freehold	—	1997	699 sq mts	3 - storey corner shophouse	12	553,350
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	5,169,057
29A, B & C Jln Hussein, Ipoh, Perak	Freehold	—	1980	850 sq mts	4 1/2 - storey shophouse	29	610,000
Lot G-14 Bangunan Sri Kinta Ipoh, Perak	Freehold	—	1982	420 sq mts	Ground floor, 13 - storey complex	27	960,000
No. 1, Lorong Rusa 1 Off Jln Bukit Ubi, Kuantan Pahang	Freehold	—	1980	576 sq mts	4 - storey shophouse	29	570,000
Lot No. 219, Muar Cottage Lady Maxwell Road Fraser's Hill, Pahang	Freehold	—	1979	2,651 sq mts	Holiday Bungalow	30	407,641
Lot 9, Taman Kayangan, Fraser's Hill, Pahang	Leasehold	Expiry : 2051	1990	4,103 sq mts	Vacant land	—	95,000

Location	Type	Tenure	Date of acquisition	Area	Description	Approximate age of buildings (Years)	Net book value (RM)
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	207,791
Lot 79, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	99 years Expiry : 2083	1986	130 sq mts	3 - storey shophouse	23	430,000
Lot 80, Kompleks Alor Setar Alor Setar, Kedah	Leasehold	Expiry : 2083	1986	499 sq mts	3 - storey shophouse	23	688,000
2153, Taman Abd. Aziz Alor Setar, Kedah	Freehold	–	1981	218 sq mts	2 - storey shophouse	28	230,000
Lot 184, Jln Kuala Krai Kota Bharu, Kelantan	Leasehold	Expiry : 2061	1995	520 sq mts	3 1/2 - storey shophouse	14	700,000
Lot 65, Block G Asia City, Kota Kinabalu Sabah	Freehold	–	1996	446 sq mts	4 - storey shophouse	13	1,436,347
Lok Kawi, District of Papar Kota Kinabalu, Sabah	Leasehold	Expiry : 2042	1996	10,411 sq mts	Vacant land - Proposed for printing plant	–	1,400,000
Lot 8130, Block 64 Kuching, Sarawak	Leasehold	Expiry : 2047	1996	457 sq mts	4 - storey shophouse	13	663,868
7, Wyndham Mews London W1	Freehold	–	1979	–	Residential house	30	6,913,875
108, Whitehall Court London SW1	Leasehold	Expiry : 2086	1976	–	Apartment	33	3,318,660

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BEFORE COMPLETING THIS FORM, PLEASE SEE THE NOTES BELOW

I/We (FULL NAME IN CAPITAL LETTERS)

of (FULL ADDRESS)

being a member/members of Media Prima Berhad hereby appoint *The Chairman of the Meeting or (FULL NAME)

of (FULL ADDRESS)

or failing whom (FULL NAME)

of (FULL ADDRESS)

as my/our proxy to attend and vote for me/us on my/our behalf at the Ninth (9th) Annual General Meeting of the Company to be held on Thursday, 15 April 2010 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" on the Resolutions below on how you wish your vote to be cast. If no specific direction 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 101 and 102: -		
2	Dato' Sri Ahmad Farid Ridzuan		
3	Dato' Abdul Kadir Mohd Deen		
4	Tan Sri Lee Lam Thye		
	To re-elect the following Directors under Article 106: -		
5	Datuk Johan Jaaffar		
6	Dato' Amrin Awaluddin		
7	Datuk Ahmad Abd Talib		
8	Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor		
9	To approve a final single-tier dividend of 5.6 sen per ordinary share for the financial year ended 31 December 2009		
10	To approve the Directors' fees of RM281,288.00 for the financial year ended 31 December 2009		
11	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
	AS SPECIAL BUSINESS: -		
	ORDINARY RESOLUTION		
12	Proposed Renewal of Share Buy-Back Authority		

Dated this _____ day of _____ 2010

Number of shares held _____

Signature of Shareholder

* DELETE IF NOT APPLICABLE

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.

**Resolution 12

Please refer to the Statement to Shareholders dated 23 March 2010 for further information.

S T A M P

MEDIA PRIMA BERHAD

C/O REGISTRAR

SYMPHONY SHARE REGISTRARS SDN BHD

LEVEL 6, SYMPHONY HOUSE

BLOCK D13, PUSAT DAGANGAN DANA 1

JALAN PJU 1A/46

47301 PETALING JAYA

SELANGOR

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2010

PROGRAMME HIGHLIGHTS





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