

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Abdul Mutalib bin
Datuk Seri Mohamed Razak*
Chairman

Abdul Rahman Ahmad
Group Managing Director/
Chief Executive Officer

Shahril Ridza Ridzuan

Dato' Dr Mohd Shahari Ahmad Jabar*

Tan Sri Lee Lam Thy*

Dato' Ahmad Farid Ridzuan

Datuk Hj Kamarulzaman Hj Zainal

Dato' Seri Mohamed Jawhar*

AUDIT COMMITTEE MEMBERS

Dato' Dr Mohd Shahari Ahmad Jabar*
Chairman

Dato' Abdul Mutalib bin Datuk Seri
Mohamed Razak*

Tan Sri Lee Lam Thy*

Abdul Rahman Ahmad

* Independent Non-Executive Director

COMPANY SECRETARIES

Roselinda Hashim (LS0008976)
Jessica Tan Say Choon (MAICSA7057849)

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 26, Menara Multi Purpose
Capital Square
No 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03 2721 2222
Fax : 03 2721 2530 / 31

AUDITORS

PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut, PO Box 10192
50706 Kuala Lumpur
Tel : 03 2693 1077
Fax : 03 2693 0997

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 Bustaman & Co
Advocates & Solicitors
Lot C9-3, Jalan Selaman
Dataran Palma, Jalan Ampang
68000 Ampang, Selangor
Tel : 03 4270 1819
Fax : 03 4270 1821

M/s TH Liew & Partners
Advocates & Solicitors
4 02, 4th Floor, Straits Trading
Building, No 2, Lebuhr Pasar Besar
50050 Kuala Lumpur
Tel : 03 2612 9000
Fax : 03 2612 9001 / 9002

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

Abdul Rahman Ahmad
Group Managing Director/
Chief Executive Officer

Dato' Ahmad Farid Ridzuan
Group Chief Executive Officer,
Television Networks

Amrin Awaluddin
Group Advisor

Datuk Hj Kamarulzaman Hj Zainal
Group Director, News & Current Affairs,
Television Networks

Amil Izham Hamzah
Group Chief Financial Officer

Badariah Jalil
Group General Manager,
Human Resources &
Management Services

Shareen Ooi Bee Hong
Group General Manager, Client Services,
Television Networks

Zuraidah Atan
Group Chief Technology Officer

Roy Navonil Subrata
Group General Manager,
Creative Marketing, Television Networks

Eliza Mohamed
General Manager, Communications

Roselinda Hashim
Company Secretary/
Group General Manager,
Legal & Secretarial

Zulkifli Hj Mohd Salleh
Group General Manager,
Business Development,
Television Networks

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

Iskandar Sham Abd Rasap
Group General Manager, Finance

Mohd Zulkifli Abd Jalil
Head of Content, New Media

Sere Mohammad Mohd Kassim
Acting Head, Corporate Governance &
Risk Management

SISTEM TELEVISYEN MALAYSIA BERHAD

Anthony @ Firdaus Bujang
Director of Operations

Dato' Chamil Wariya
General Manager,
News & Current Affairs

Farisha Pawanteh
General Manager,
Brand Management Group

Abdul Rashid Malik Khushi Muhammad
Group General Manager,
Airtime Management

Tan Kwong Meng
Group General Manager, Engineering,
Television Networks

Azhar Borhan
General Manager, Entertainment,
Sports & Recreational

Ahmad Kamaluddin Zabaai
General Manager, Magazine, Documentary
& Family

Ahmad Puad Onah
General Manager,
Subsidiaries Management Services

Peter Chin Chee Min
Creative Director, Creative Services

Nurul Aini Abu Bakar
General Manager, Mass Market

Mohd Azri Abdul
General Manager, Client Services

Muzamir Shah Mohamed Shariff
Manager,
Management Information Services

Nor Arzlin Redzwan
Manager, Human Resources

Nyarose Mohd Jaafar
Manager, Management Services

Ratnawati Jamil
Manager, Corporate Communications

Marzina Ahmad
Manager, Research

NATSEVEN TV SDN BHD

Amrin Awaluddin
Chief Executive Officer

Janice Cheng Puay Hoon
General Manager,
Brand Management Group

Dr Ahmad Zaki Mohd Salleh
General Manager,
Engineering & Information Technology

Shariman Zainal Abidin
General Manager,
Airtime Management Group

Mohsin Abdullah
Editor in Chief

Jeannie Leong Lee Eu
Manager, Business Development
& Marketing Communications

Ismah Murni Ismail
Financial Controller

Alwi Yusni Yahya
Manager, Human Resources
& Management Services

Sarvant Kaur
Manager, Brand Communications
& Publicity

Kamarul Zamli Ramly
Manager, Content Creation Group

Hayati Sulaiman
Manager, Creative Services

METROPOLITAN TV SDN BHD

Ahmad Izham Omar
Chief Executive Officer

Paul Moss
Network Operations Director

Lam Swee Kim
General Manager,
Business Development,
Marketing & Communications

Nur Airin Zairin
General Manager,
Brand Management Group

Sunil Kumar
Manager, Urban Content
& Technical Production

CH-9 MEDIA SDN BHD

Bukhari Che Muda
Chief Operating Officer

Farah Ezrin Mohd Rashidi
Manager, Brand Management &
Corporate Communications

Nur'aeshah Malik
Manager, Magazine

Che Wan Alias Abdullah
Manager, Educational Programmes

Saniboey Mohd Ismail
Manager, Entertainment

Sa'adullah Che Noor
Executive Editor, News

GRAND BRILLIANCE SDN BHD

Ahmad Puad Onah
General Manager

Tengku Iesta Tengku Alauddin
Financial Controller,
Subsidiaries Management Services

Ahmad Fadzil Abdul Manap
Manager, Film Marketing & Promotions

Jalena Rejab
Manager, Drama Production

Rosihan Zain Baharudin
Manager, Film Production

BIG TREE OUTDOOR SDN BHD

Suridah Jalaluddin
Chief Executive Officer

Muhammad Azlan Abdullah
Director of Operations

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

Ahmad Izham Omar
Head of Radio Networks

Seelan Paul
General Manager, Radio Networks

Alfred Juan Anthony
Network Sales Manager

Mohd Akhmal Andak
Network Engineering Manager

Zurina Othman
Brand & Promotions Manager

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' Syed Faisal Albar A. R Albar
Chief Executive Officer

Dato' Hishamuddin Aun
Group Editor-in-Chief

Dato' Syed Nadzri Syed Harun
Group Editor, New Straits Times,
Director, English Publications

Dato' Manja Ismail
Group Editor, Berita Harian
Director, Malay Publications

Jezilee Mohd Ramli
Chief Financial Officer/Finance Director

Tun Ibrahim Mohd Jafri
Production Director

Mimi Megawati Abdul Wahid
Marketing Director

Abdul Wahab Mohamad
Human Capital Director

Tasman Harith Ismail
Head, Circulation

Zafrul Shastri Hashim
Head, Legal & Secretarial

Abd Rahman Hashim
Head, Information Technology

Badrul Hisham Mahzan
General Manager, Advertising Sales

CORPORATE STRUCTURE

TV Networks

Radio Networks

Print



Sistem Televisyen
Malaysia Berhad
100%



Max-Airplay
Sdn Bhd
75%



The New Straits
Times Press
(Malaysia) Berhad
(NSTP)
43%



Metropolitan
TV Sdn Bhd
80%



Synchrosound
Studio
Sdn Bhd
100%



Natseven TV
Sdn Bhd
100%



CH-9 Media
Sdn Bhd
100%

media prima

Content Creation

Events Management

Outdoor



Grand Brilliance Sdn Bhd
100%



Tiga Events Sdn Bhd
100%

BIG TREE

Big Tree Outdoor Sdn Bhd
100%

UPD

UPD Sdn Bhd
100%

the Right Channel

The Right Channel Sdn Bhd
100%

ORGANISATIONAL STRUCTURE

BOARD OF DIRECTORS

Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak
CHAIRMAN

GMD's OFFICE
Group Advisor, MPB
Amrin Awaluddin

GROUP MD/CEO
Abdul Rahman Ahmad

MPB CORP GOVERNANCE & RISK MANAGEMENT
Acting Head
Sere Mohammad Mohd Kassim

TELEVISION NETWORKS
Group Chief
Executive Officer
Dato' Ahmad
Farid Ridzuan

INTERNATIONAL

CONTENT CREATION

EVENTS

TV3
Chief Executive Officer
Dato' Ahmad
Farid Ridzuan

TV3 GHANA
Managing Director
Syed Ahmad Zaidi
Chief Operating Officer
Suhaimi Sheikh Mohamed

GRAND BRILLIANCE
General Manager
Ahmad Puad Onah

TBA

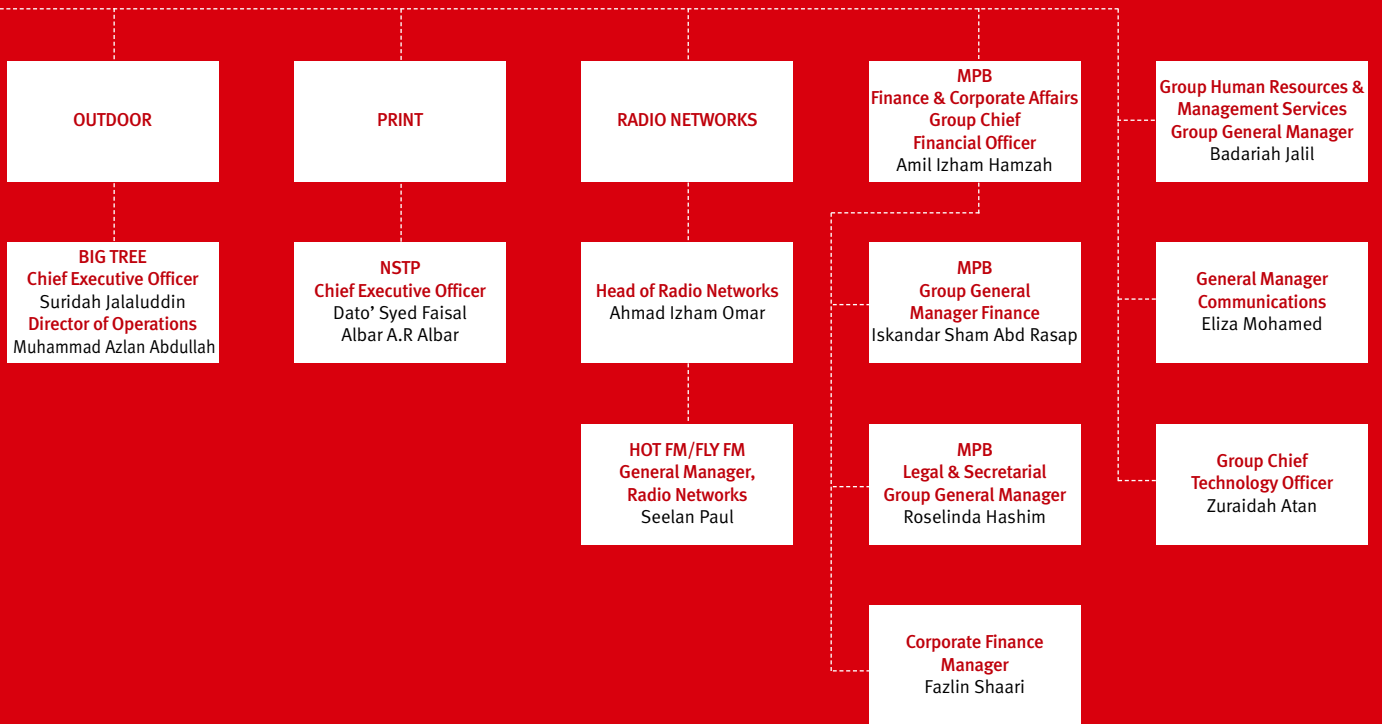
TV3
Director of Operations
Anthony Firdaus Bujang

**Director, NCA,
TELEVISION NETWORKS**
Datuk Hj Kamarulzaman
Hj Zainal

ntv7
Chief Executive Officer
Amrin Awaluddin

8TV
Chief Executive Officer
Ahmad Izham Omar

TV9
Chief Operating Officer
Bukhari Che Muda



BOARD OF DIRECTORS' PROFILE

Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak, aged 64, a Malaysian, is the Chairman of Media Prima Berhad (Media Prima). An Independent Non-Executive Director, he joined the Board of Media Prima on 5 December 2003 and was appointed Non-Executive Chairman of Media Prima on 14 March 2005. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of Media Prima.

Dato' Abdul Mutalib currently sits on the Board of Mardec Berhad, The New Straits Times Press (Malaysia) Berhad and Sistem Televisyen Malaysia Berhad (TV3), of which he is the Chairman. He is also Chairman of Metropolitan TV Sdn Bhd (8TV), Natseven TV Sdn Bhd (ntv7), Ch-9 Media Sdn Bhd (TV9), Max-Airplay Sdn Bhd (Fly FM) and Synchronsound Studio Sdn Bhd (Hot FM).

Dato' Abdul Mutalib was the Secretary/ Legal Advisor to the Urban Development Authority from 1972 to 1975. He then went into private practice under the name Messrs Mutalib, Sundra & Low, later renamed Mutalib, Wan & Co, of which he is currently the Senior Partner. In 1984, Dato' Abdul Mutalib was appointed Trustee Director of Yayasan Pembangunan Ekonomi Islam Malaysia (YPEIM), a post he held until 1988. He was also the Company Secretary of Yayasan Bumiputra Pulau Pinang Berhad from 1980 to 1990 and Deputy Chairman of Setron (M) Berhad from 1987 to 1990. He is one of the Presidents of the Tribunal for Consumer Claims and sits on the Board of various private companies.

He obtained a Bachelor of Arts (Hons) degree in Political Science from the University of Singapore in 1967 and was called to the Bar at The Honorable Society of Lincoln's Inn, London, in 1970.

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

DATO' ABDUL MUTALIB BIN DATUK SERI MOHAMED RAZAK
Chairman





Abdul Rahman bin Ahmad, aged 38, a Malaysian, is the Group Managing Director/Chief Executive Officer of Media Prima Berhad (Media Prima). He was appointed to the Board of Media Prima on 22 October 2001.

Before his appointment as the Group Managing Director/Chief Executive Officer of Media Prima on 1 September 2003, he was the Chief Executive Officer of Malaysian Resources Corporation Berhad (MRCB), a position he took up in August 2001. He currently sits on the Board of MRCB, The New Straits Times Press (Malaysia) Berhad, Composite Technology Research Malaysia Sdn Bhd and Columbia Aircraft Manufacturing Corporation.

He is also the Executive Director of Sistem Televisyen Malaysia Berhad (TV3) and a member of the Audit Committee of Media Prima.

Abdul Rahman was an Assistant Manager at Arthur Andersen, London, from 1992 to 1996, after which he held the position of Special Assistant to the Executive Chairman of Trenergy (M) Berhad/ Turnaround Managers Inc (M) Sdn Bhd until 1999. He subsequently joined Pengurusan Danaharta Nasional Berhad as a Unit Head from 1999 to 2000 and went on to become an Executive Director of SSR Associates Sdn Bhd until August 2001.

He holds a Master of Arts from Cambridge University, England, and is a member of the Institute of Chartered Accountants, 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.

ABDUL RAHMAN BIN AHMAD
Group Managing Director/
Chief Executive Officer

**BOARD OF
DIRECTORS'
PROFILE** CONT'D

Dato' Ahmad Farid bin Ridzuan, aged 46, a Malaysian, is the Group Chief Executive Officer, Television Networks of Media Prima Berhad (Media Prima). 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 Sistem Televisyen Malaysia Berhad (TV3), a position he took up in April 2002.

He currently sits on the Board of 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), Grand Brilliance Sdn Bhd and Tiga Events Sdn Bhd.

Dato' Farid Ridzuan 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.



DATO' AHMAD FARID BIN RIDZUAN
Non-Independent
Executive Director



Datuk Hj Kamarulzaman Hj Zainal, aged 50, a Malaysian, is the Group Director, News & Current Affairs, Television Networks of Media Prima Berhad (Media Prima). He was appointed to the Board of Media Prima on 30 August 2006.

Before his appointment as the Group Director, News & Current Affairs, Television Networks of Media Prima on 1 January 2006, he was the Director, News & Current Affairs division of Sistem Televisyen Malaysia Berhad (TV3), a position he took up in October 2003. He currently sits on the Board of TV3, JAKS Resources Berhad and various private companies.

Datuk Kamarulzaman was the Executive Secretary, Malaysian Students Union in United Kingdom and Eire from 1979 to 1981, after which he held the position of Press Secretary to the Foreign Minister until 1998. Later he was appointed as the Press Secretary to the Deputy Prime Minister from 1999 to 2003.

He holds a Diploma in Mass Communications and Journalism from the London School of Journalism.

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.

DATUK HJ KAMARULZAMAN HJ ZAINAL
Non-Independent
Executive Director

Shahril Ridza bin Ridzuan aged 37, 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 Board of Malaysian Resources Corporation Berhad, where he is also the Group Managing Director/Chief Executive Officer, Pengurusan Danaharta Nasional Berhad, The New Straits Times Press (Malaysia) Berhad and UDA Holdings Berhad.

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 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.



SHAHRIL RIDZA BIN RIDZUAN
Non-Independent
Non-Executive Director



Tan Sri Lee Lam Thye, aged 61, 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 the Chairman of the Nomination Committee as well as a member of the Audit Committee and Remuneration Committee of Media Prima.

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

He currently serves as the Chairman of the National Institute of Occupational Safety & Health and the National Service Training Council. He is also the Vice-Chairman of the Malaysia Crime Prevention Foundation and a Member of the Kuala Lumpur City Hall Advisory Board. He has previously served as a Member of the Special Royal Commission to enhance the operations and management of the Royal Malaysian Police. In the private sector, Tan Sri Lee serves as a non-executive director to a few companies, namely AMDB Berhad and MBM Resources Berhad.

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

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

TAN SRI LEE LAM THYE
Independent
Non-Executive Director

Dato' Dr Mohd Shahari bin Ahmad Jabar, aged 70, 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. He is also the Chairman of the Remuneration Committee and the Audit Committee and a member of the Nomination Committee of Media Prima.

Upon graduation in 1960, Dato' Dr Mohd Shahari was inducted into the Malaysian Civil Service and served in several capacities at national and international levels, until his retirement in 1991.

He is currently Chairman of Grand Brilliance Sdn Bhd, Radibems (M) Sdn Bhd, and Peakline Sdn Bhd. He currently sits on the Board of EON Bank Berhad, EON Capital Berhad, KL-Sentral Sdn Bhd, MIMB Investment Bank Berhad, Malaysian Resources Corporation Berhad, Radicare (M) Sdn Bhd, Realmild (M) Sdn Bhd, Sistem Televisyen Malaysia Berhad, The New Straits Times Press (Malaysia) Berhad, Uni. Asia Assurance Berhad, Uni. Asia General Insurance Berhad and Uni. Asia Life Assurance Berhad.

He holds a Bachelor of Arts degree from the University of Malaya. He obtained his Master in Social Science from the International Institute of Social Studies, Hague, Holland, in 1972 under a Dutch Government Fellowship. In 1978, he obtained a PhD (Political Science) from the University of Hawaii, USA, under a Fulbright-Hays Fellowship.

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



**DATO' DR MOHD SHAHARI
BIN AHMAD JABAR**
Independent
Non-Executive Director

Dato' Seri Mohamed Jawhar, aged 62, 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.

Dato' Seri Mohamed 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.

Dato' Seri Mohamed Jawhar served with the government before he joined the Institute of Strategic and International Studies (ISIS) Malaysia. He is currently the Chairman and Chief Executive Officer of ISIS Malaysia. His positions in government included Director-General, Department of National Unity – Under Secretary, Ministry of Home Affairs and Principal Assistant Secretary, National Security Council. He also served as Counsellor in the Malaysian Embassies in Indonesia and Thailand.

He holds a BA Hons (2nd Class Upper), 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.



DATO' SERI MOHAMED JAWHAR
Independent
Non-Executive Director

**SENIOR
MANAGEMENT**
vision for 2007



DATU' AHMAD FARID RIDZUAN
Group Chief Executive Officer
Television Networks, Media Prima Berhad
Chief Executive Officer,
Sistem Televisyen Malaysia Berhad (TV3)

Viewers can expect something new in the reality TV genre when the most talked-about craze in search for the next vocal super group, GangStarz, takes the country by storm in 2007! With participation from Malaysia, Singapore and Indonesia, GangStarz on TV3 will undoubtedly become the top programme in 2007 which will get viewers glued to the tube. With an abundance of rewards in store for winners, I strongly believe that GangStarz will become a hit with viewers not only throughout Malaysia, but also amongst our neighbouring countries, Singapore and Indonesia. GangStarz will emerge as an excellent platform to search for talents in an effort to raise the standard for our new reality programme. Constantly delivering the best in quality and content, TV3 continues to be the choice of Malaysians! Look out for many more surprises coming your way!

Here's to a year of immense entertainment, electrifying content and exciting programmes. Stay tuned to TV3!



ABDUL RAHMAN BIN AHMAD
Group Managing Director/
Chief Executive Officer, Media Prima Berhad

For this year, I am very excited with our two main new business drivers – expanding our out of home business through our recent acquisitions of Big Tree, UPD and The Right Channel, which combined shall be the largest outdoor advertising company in Malaysia and our new expansion into new media.

With Big Tree's strong brand and management team, I look forward to continuing our aggressive path in growing group revenue and earnings whilst the scale of opportunities accorded by the web and mobile space are immensely exciting and challenging as we grapple to find ways to establish new media brands and monetize investments.

On a more personal basis, I look forward to the production and release of Alternate Studio's new movie release, titled "*Sepi*" and hope it will bring similar success to its previous hit, "*Cinta*".



DATUK HJ KAMARULZAMAN HJ ZAINAL
Group Director, News & Current Affairs,
Media Prima Berhad

I would like for News to be eternally informative and fascinating to our viewers and for it become an integral part of our community. I hope the Group will continue to work together to create a meaningful and tangible mark, in pursuit of higher transparency and better community for all.

AMRIN AWALUDDIN

Advisor, Media Prima Berhad & CEO, ntv7

For 2007, ntv7 aims to solidify our position as the preferred TV channel amongst the Free-to-Air and Pay TV channels, serving the needs of both the affluent urban viewers through content which are fresh, unique and relevant to our discerning target audience. For Media Prima it will be a challenging and exciting year which will see us taking the lead in new media initiative, changing the whole scenario of wholesome entertainment and news in the new world order.

AMIL IZHAM HAMZAH

Group Chief Financial Officer, Media Prima Berhad

In 2007, the addition of the Big Tree, UPD and The Right Channel brands to Media Prima's batting line-up will not only strengthen our run-making capabilities but more importantly, the brands provide the much needed stability and versatility to our top and middle order in the pacing of our innings. What's more, the continued improvements of the Television and Radio Networks will enhance our abilities in restricting our opponents' scoring and in bowling them out!



**SENIOR
MANAGEMENT**
vision for 2007
CONT'D



ANTHONY @ FIRDAUZ BUJANG
Director of Operations, TV3

My pet project for 2007 have got to be the 50th Merdeka! An idea to do a massive RM40 million project was conceived by Dato' Farid Ridzuan almost 2 years ago. 2007 offers no major international event so we need to make something big happen. 50th Merdeka is it for us!

We started very well with the full support of the Prime Minister. We got the largest congregation of almost 100 CEOs in Malaysia to an exclusive evening with the PM to launch the project.

We will make a dream into reality again !



DATO' SYED FAISAL ALBAR
Chief Executive Officer,
The New Straits Times Press (Malaysia) Berhad

The rise of Harian Metro being declared as the new number one Malay language newspaper in 2006 was exciting. It is especially exciting when we prove many skeptics wrong both in the area of circulation and advertising growth. Also, despite challenging condition faced by the print industry in 2006, NSTP group is proud to register healthy growth in our operational bottomline whilst not many others did.



DATO' HISHAMUDDIN AUN
Group Editor in Chief,
The New Straits Times Press (Malaysia) Berhad

I look forward to a better all round performance of the four newspapers of the NSTP Group in 2007 by continuing to ensure the high ethical standards and commitment to quality.



BUKHARI CHE MUDA

Chief Operating Officer, TV9

What I look forward for 2007 is TV9 growing further to establish itself as the television station for the Malays. After its recent launching in April, last year, TV9 has quickly won the heart and soul of many Malays through its creative and innovative programming that serve the needs of its target audience. With more interesting local contents and new foreign series in the line up this year, we are confident that 2007 will be the year of tremendous growth for TV9.



AHMAD IZHOM OMAR

Chief Executive Officer, 8TV

What I look forward to for 2007 is the birth of even more creative and original shows from 8TV. I know the team at 8TV is extremely progressive and I hope they will surprise me! I also look forward for our radio stations Hot FM and Fly FM to stay true to their focus on giving great music and content to the audiences, whilst they grow to become leaders in their target audiences.

A hand in a dark suit sleeve points towards a bar chart on a screen. The chart shows two data series, one in teal and one in red, across four categories. The background is a blurred office setting.

corporate

governance



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (“the Board”) of Media Prima Berhad (“MPB”) is fully committed to ensuring that the highest standards of corporate governance are practised throughout MPB and its subsidiaries (“the Group”) as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

The Board fully supports the recommendations of the Malaysian Code of Corporate Governance (“the Code”) and believes that good corporate governance is essential to attain the Group’s business and social objectives. The Board will continue to play an active role in improving governance practices to ensure that best interests of shareholders and other stakeholders are served by transparent disclosure policies.

The Board 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 2006.

1 THE BOARD OF DIRECTORS

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

The Board has explicitly assumed the following six specific responsibilities in the discharge of its duties:

- 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;
- Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing an investor relations programme and shareholder communications policy for the Group;
- 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.

The Board has delegated specific responsibilities to four (4) sub-committees (Audit, Nomination, Remuneration and Employees’ Share Option Scheme Committees), the details of which are set out below. These Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

1.1 Board Composition and Balance

The Board has a balance 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.

As at 31 December 2006, the Board has eight (8) members; of which three (3) are executive directors, one (1) is non-independent non-executive director and four (4) are independent non-executive directors, including the Chairman. The size of the Board is optimum given the scope and size of the Group, and enough to provide for effective debate and decision-making. A brief description of the background of each director is set out on pages 18 to 25 of this Annual Report.

The independent non-executive directors are of calibre, credibility 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 Group's Chief Executive Officer (CEO) 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 Group's CEO has overall responsibility over the business units, organisational effectiveness and implementation of Board's policies, strategies and decisions. The Board, together with the CEO, has developed position descriptions for the Board and for the CEO, involving definition of the limits to management's responsibilities. The Board has also approved the corporate objectives, which the CEO is responsible for meeting.

Dato' Seri 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.

1.2 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 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.

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 2006, 7 Board meetings were held, 4 scheduled meetings and 3 special meetings. Details of the Board movement and attendance at meetings for financial year ended 31 December 2006 are set out below:

DIRECTORS	DESIGNATION	APPOINTMENT	ATTENDANCE
Dato' Abdul Mutalib Datuk Seri Mohamed Razak	Chairman	5 December 2003	7/7
Abdul Rahman Ahmad	Group Managing Director/ Chief Executive Officer	22 October 2001	7/7
Shahril Ridza Ridzuan	Non-Independent Non-Executive Director	22 October 2001	6/7
Dato' Dr Mohd Shahari Ahmad Jabar	Independent Non-Executive Director	18 August 2003	7/7
Tan Sri Lee Lam Thye	Independent Non-Executive Director	18 August 2003	6/7
Dato' Seri Mohamed Jawhar	Independent Director Non-Executive	30 August 2006	2/3
Dato' Ahmad Farid Ridzuan	Executive Director	30 August 2006	3/3
Datuk Hj Kamarulzaman Hj Zainal	Executive Director	30 August 2006	2/3

1.3 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, Senior Management is invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board. Board papers are circulated at least 5 working days in advance of the meeting to enable members to prepare. The 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 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.

1.4 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 MPB, established on 19 August 2003, scrutinises the sourcing and nomination of suitable candidates for appointment as a director in MPB 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 has conducted a review of its effectiveness as a whole and the effectiveness of the committees of the Board using the self-assessment approach. The assessment on the contribution of individual director is currently being carried out on independent members of the Board. Through the self-assessment exercise, 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.

1.5 Re-election of Directors

In accordance with the Company's Articles of Association, newly-appointed directors are subject to re-election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting. Retiring directors may offer themselves for re-election by the shareholders.

1.6 Directors' Training

As an integral element of the process of appointing new directors, the Nomination Committee ensures that there is an orientation and education programme for new Board members.

All the directors have successfully completed the Mandatory Accreditation Programmes and accumulated the Continuing Educational Programme (CEP) requisite points pursuant to the requirements of the Bursa Securities. The Directors continue to undergo other relevant training programmes from time to time 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.

During the year, the Group has also organised an in-house Board development programme tailored to the specific needs of the Group. The programme covers a wide range of topics that are of concern to the Board such as new accounting regulations, corporate governance and risk management, industry survey, latest technological developments in media industry, strategic planning, strategic thinking and leadership, and Group synergy. The two-day workshop was attended by all the directors in the Group including the subsidiary Board and facilitated by consultants who were experts in their own fields.

1.7 Board Committees

The Board delegates certain responsibilities to Board Committees, namely, the Audit Committee, Nomination Committee, Remuneration Committee and Employees' Share Option Scheme (ESOS) Committee. All committees have written terms of reference 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 Chairmen 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.

1.7.1 Audit Committee

The Audit Committee (AC) reviews issues on accounting policies and presentation of external financial reporting, monitors the works of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The AC has full access to the auditors both internally and externally who, in turn, have access at all times to the Chairman of the Committee.

A full Audit Committee report enumerating its membership, its role and its activities during the year is set out on pages 49 to 53.

1.7.2 Nomination Committee

The Nomination Committee (NC) was established on 19 August 2003. The members of the NC are all independent and non-executive and they are:

Tan Sri Lee Lam Thye (Chairman)
Dato' Dr Mohd Shahari bin Ahmad Jabar
Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak

The NC is responsible for:

- Identifying and recommending new nominees to the Board and committees of the Board of MPB 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
- 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.

During the financial year ended 31 December 2006, the NC held one meeting on 30 August 2006 to recommend the appointment of new members to the MPB Board.

1.7.3 Remuneration Committee

The Remuneration Committee (RC) was established on 19 August 2003 and consists of three (3) independent non-executive directors. The members of the RC are:

Dato' Dr Mohd Shahari bin Ahmad Jabar (Chairman)
Tan Sri Lee Lam Thye
Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak

The RC is responsible:

- To determine and recommend to the Board the framework or broad policy for the remuneration packages of the Group's Chief Executive, the Chairman of the Company and such other members of the executive management as it is designated to consider.
- To establish a formal and transparent procedure for developing policy on the total individual remuneration package of executive directors, Chief Executive Officer (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 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 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
 - ~ Incentives (based on sales and others)

During the financial year ended 31 December 2006, the RC held three (3) meetings, on 28 February 2006, 18 May 2006 and 30 August 2006. The meetings were held to consider and recommend the Balanced Scorecard achievement and ratings for Senior Management; to review and recommend KPI bonus payment for financial year ended 2005; to review and recommend proposed KPI for all employees including the Balanced Scorecard for Senior Management for financial year 2006; and to review and recommend proposed renewal of contract and remuneration structure for Senior Management.

1.7.4 Employees' Share Option Scheme (ESOS) Committee

The ESOS Committee was established on 27 August 2004 and the members are:

Dato' Dr Mohd Shahari bin Ahmad Jabar (Chairman)
 Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak
 Abdul Rahman bin Ahmad

The principal duties and responsibilities of the ESOS Committee are to implement and administer the MPB 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 only meets as and when required.

During the financial year ended 31 December 2006, one meeting of the ESOS Committee was held on 8 December 2006 to discuss and approve share allocations to eligible employees.

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 component parts of remuneration are structured so as to link rewards to corporate and individual performance in the case of executive directors. The Remuneration Committee recommends to the Board, the framework of the executive director's remuneration and the remuneration package for each executive director. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of these directors.

The remuneration package of the executive directors is as follows:

(i) Basic Salary

The basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the executive director is recommended by the Remuneration Committee, 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) Fixed Allowance

In 2004, the Board has 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.

(iii) 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.

(iv) Benefits-in-kind

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

(v) Employees' Share Option Scheme

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

The non-executive directors are paid annual fees and attendance allowance for each Board meeting that they attend. The level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular non-executive director concerned. The Chairman is entitled to leave passage, car and driver benefits.

Save that the fees of the directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provide) be divisible among the directors as they may agree, 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. Individual director does not participate in decision regarding their own remuneration package.

The framework for the remuneration of the executive and non-executive directors is reviewed regularly against market practice. Salary reviews take into account market rates and the performance of the individual director and the Group.

2.2 Directors' Remuneration

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2006, distinguishing between executive and non-executive directors with categorisation into appropriate components are as follows:

REMUNERATION (RM)	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS	TOTAL
Fees – MPB	–	193,589	193,589
– MPB Subsidiaries	–	179,932	179,932
Salary	1,368,688	–	1,368,688
EPF	396,173	39,720	435,893
Bonus	558,904	60,000	618,904
Allowance	484,000	219,000	703,000
Benefits-in-kind	107,694	61,150	168,844
Total (RM)	2,915,459	753,391	3,668,850

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
RM50,000 and below		2
RM50,001 – RM100,000		2
RM400,001 – RM450,000		1
RM650,001 – RM700,000	1	
RM850,001 – RM900,000	1	
RM1,350,001 – RM1,400,000	1	

3 SHAREHOLDERS

3.1 Investor Relations

The Group values dialogue with investors. 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 Corporate Finance Unit, under direct supervision of the Group's CEO, is tasked with the responsibility to respond to all queries raised by the investors and analysts. 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.

During the year under review, the Group CEO and the Group Chief Financial Officer had attended presentations and meetings with foreign investors and fund managers held in Singapore, Chicago, New York, London and Paris, in a series of roadshow to maintain good rapport and relationship with the investors. Briefings with investors and analysts are 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, corporate announcements, events and developments are issued to the media 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.

3.2 Annual General Meeting

The Annual General Meeting (AGM) remains the principal forum for dialogue with shareholders. At each AGM, the Board presents the progress and performance of the Group. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. The Chairman will provide sufficient time for shareholders' questions on matters pertaining to the Group's performance and seek to explain to the shareholders their concern.

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 substantially separate issues at the meeting and the Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. Immediately after the AGM, the Chairman and the CEO will address all the issues raised by the press and analysts through a press conference and analyst briefing in the course of providing all stakeholders with the latest updates on the Group.

3.3 Websites

To ensure easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information, a website is maintained at <http://www.mediaprima.com.my>. The MPB website provides an excellent medium of communication and source of information to shareholders and the general public. In addition, each subsidiary company has its own website to highlight latest programmes and promotions.

Any queries or 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
Fazlin Abu Hassan Shaari	Manager, Corporate Finance	Investor relations	603 77266508	603 77261502
Roselinda Hashim	Group General Manager, Legal & Secretarial	Shareholders' enquiries	603 77291345	603 77280787
Eliza Mohamed	General Manager, Communications	Other queries	603 77252135	603 77273014

4 ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual financial statements and quarterly announcement to shareholders, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects. 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 pages 43 to 45 of the Annual Report provides an overview on the state of internal controls within the Group.

4.3 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 49 to 53 of this 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 28 March 2007.

ADDITIONAL COMPLIANCE INFORMATION

1 SHARE BUY-BACKS FOR THE FINANCIAL YEAR

There was no share buy-back exercise carried out by the Company for the financial year ended 31 December 2006.

2 OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES EXERCISED

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 2006, two (2) 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.

There was an issuance of 15,037,800 ordinary shares of RM1.00 each pursuant to the exercise of the MPB ESOS at the exercise price of RM1.46 per share and an issuance of 6,137,600 ordinary shares of RM1.00 each pursuant to the exercise of the MPB ESOS at the exercise price of RM1.55 per share.

b) There was an issuance of 52,424,022 ordinary shares of RM1.00 each through the conversion of 78,636,043 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM1.00 each on the basis of two new ordinary shares for every three ICULS exercised.

c) There was an issuance of 90,143,871 ordinary shares of RM1.00 each arising from the exercise of 90,143,871 Warrants of RM0.10 each at an exercise price of RM1.10 per Warrant.

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

The Company has not sponsored any ADR or GDR programme in the financial year ended 31 December 2006.

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 2006 is set out on pages 136 of this Annual Report.

5 PROFIT GUARANTEE

The Company did not issue any profit guarantee for the financial year ended 31 December 2006.

6 LIST OF PROPERTIES AND REVALUATION POLICY

The list of properties is set out on pages 197 to 199 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 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 RESULT

There were no variations in results (which differ by 10 per cent or more) from any profit estimation forecast/projection/unaudited results announced.

10 UTILISATION OF PROCEEDS

On 8 December 2005, the Company issued RM85.0 million nominal value 6.35 per cent 5-year Exchangeable Bonds ("EB") to investors who fall within Schedule 2 or Section 38(1)(b), Schedule 3 or Section 39(1)(b) and Schedule 5 or Section 66(3) of the Securities Commission Act, 1993 in accordance with the Trust Deed governing the EB dated 25 November 2005.

The total gross proceeds of RM85.0 million raised from the issue of the EB have been fully utilised for working capital requirements of the Group.

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

There were no RRPTs during the financial year ended 31 December 2006.

STATEMENT ON INTERNAL CONTROL

RESPONSIBILITY

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 ensure 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, misstatements or other significantly adverse consequences.

CONTROL 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 the following components:-

- **Independence of the Audit Committee**

The Audit Committee comprises a majority of independent non-executive directors who have unimpeded access to both internal and external auditors. The Audit Committee reviews the works 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 assign 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.

- **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 schemes and programmes, including an Executive MBA programme in collaboration with University of Cambridge Local Examinations Syndicate and University of Applied Sciences, Berne, Switzerland. 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.

An established performance management system, which is linked to and guided by Key Performance Indicators and accountability, is also in place and is reviewed on an annual basis.

- **Fraud Prevention Manual**

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.

STATEMENT ON INTERNAL CONTROL CONT'D

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 of 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.

- **Documented Internal Policies and Procedures**

Clearly documented internal policies and procedures are set out in a series of Standard Operating Manuals and implemented throughout the Group. These procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs. Critical policies and procedures revised or developed and enforced in the year of review include:-

- ~ Related Party Transactions
- ~ Advances and Claims
- ~ Public Donations

- **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 business entities of the Group in accordance with the risk policy as approved by the Board. Internal audit findings are discussed at management level and actions are agreed in response to the internal audit recommendations. The status of implementation of the agreed actions is followed up by the internal audit to ensure that satisfactory control is maintained.

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, a review was conducted by Messrs KPMG Business Advisory on the Group's internal audit function. It is envisaged that the review would enhance 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 audit. The assessment provides the Board with the necessary assurance that sound control environment and structure is in place.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- Setting up of various committees including the Programme Committee and Tender Committee with clearly defined terms of reference to ensure transparency and integrity of the procurement process.
- A detailed budgeting process where each business unit submits a business plan annually for approval by the 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.

- Regular visits to operating units by members of the Board and senior management.

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 failings or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's annual report were noted.

ASSOCIATED COMPANY

The state of internal control of The New Straits Times Press (Malaysia) Berhad, an associated company of Media Prima listed on the Bursa Securities, has been disclosed in the Statement on Internal Control made by their Board of Directors and is thus excluded from this Statement. However, the directors of Media Prima are appointed to this Board, attend 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 28 March 2007.

RISK MANAGEMENT

RISK MANAGEMENT

Being the nation's leading integrated media investment group with diversified interests in television, radio, print media, movie-making, event management and its recent venture into outdoor advertising, Media Prima Group is wonted to face various types of risk. Due to the differences of each business nature, the Group acknowledges and undertakes the exposure of risk from one business to another independently.

Achievement of the Group's business objectives depends on, among other things, external economic factors, 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 thrive to identify, to address and to mitigate risks involved effectively. The Group's risk management philosophy 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

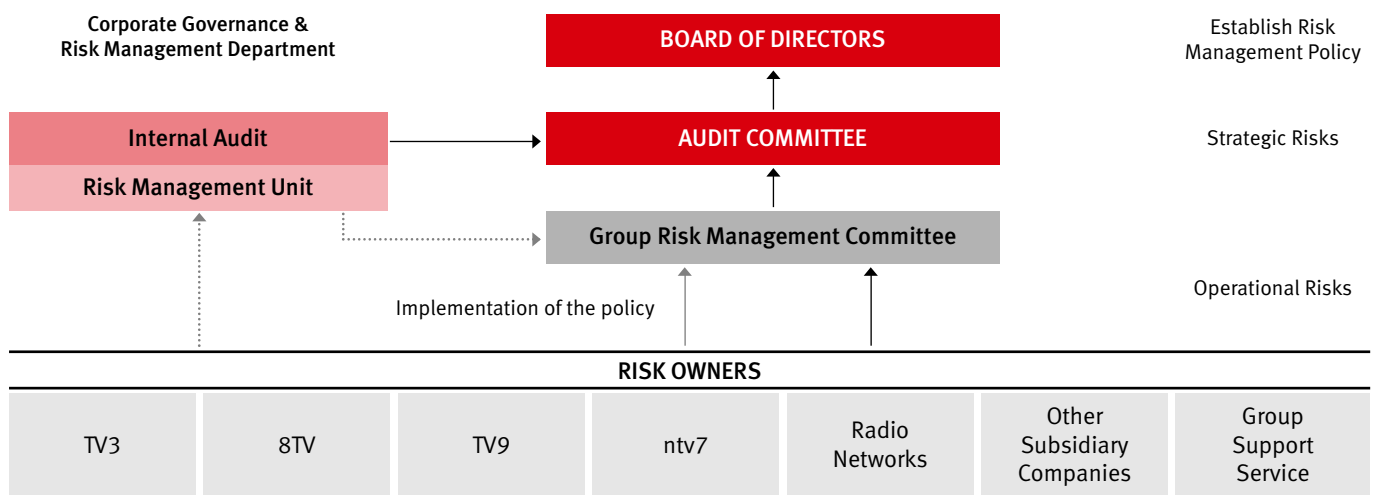
The Board has approved the Risk Management Framework for the Group and the formation of the Group Risk Management Committee on 12 December 2003. This framework provides the platform to adopt a more holistic and integrated approach to managing risk. The objectives of the framework are as follows:-

- 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;
- Comply with 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 Group Risk Management Committee (GRMC) is chaired by the Group Managing Director and includes the Group Chief Financial Officer, Head of Human Resources and Administration and Head of Corporate Governance and Risk Management as its members, 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. The GRMC reports to the Audit Committee on the risk management status on a regular basis. The Audit Committee then 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



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 business unit process level before being examined on a Group perspective.

The Group has developed an enterprise wide risk map through the Control and Risk Self-Assessment method facilitated by the Risk Management Unit (RMU). The RMU is a unit of the Corporate Governance & Risk Management Department (CGRM) and its role is to assist and facilitate in the implementation of risk management policy including development of risk assessment templates and reports; compiling and coordinating reports for presentation to GRMC, Audit Committee and the Board of Directors; monitoring implementation of decisions of GRMC and the Board; proposing the work plan for the Group's risk management programme; coordinating and facilitating the training of staff to recognise risks so as to foster a strong risk control culture in the Group and maintaining database for the Group's risk profiles and strategies.

The Internal Audit Unit complements the RMU in the implementation of the Group's risk management programme by supporting and facilitating the GRMC and Audit Committee; providing assurance that the risk management policy is adhered to and their relevant procedures and processes are effectively practised and continually updated to reflect the change in environment and technology; providing assurance that risk management reporting is adequate, reliable and timely for decision making and that risk management programme is implemented according to approved methodology and work plan.

The RMU together with the Internal Audit Unit provide independent advisory and consultancy services to all the operating units in the Group in ensuring that controls are effective and the Group's competitive edge is maintained by managing risk at a strategic and tactical level.

The Risk Management team conducts risk assessment workshop with every unit of the Group and assists staff in understanding the application of the process. The risk management framework and arrangements ensure a consistent approach to risk management across the Group, with clear executive support and each appointed divisional Risk Liaison Officer owning responsibility for risk management activities in their respective division. All the risk monitoring results are reported and gathered, and the Risk Profile Review Reports are then prepared on a quarterly basis to be presented to the GRMC and the Board for evaluation as well as to recommend for effective control measures.

The Group will continue to evaluate and enhance the risk management framework for efficacy and coherence. The Board views risk management as integral to good business practice. Risk assessment and evaluation are incorporated into all key business processes including strategy and business planning, investment appraisal, performance management and safety, health and security management processes. Some of the risk management activities conducted during the year under review are:-

- **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 to update the Group's staff accordingly. During the year under review, the Risk Management team has presented the latest and revised policies on Advances & Claims, Petty Cash, Contra and Production Sponsorship policies to all units within the Group. All the information mentioned above is also available on the Corporate Governance and Risk Management web portal.

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

To be consistent with the Company's expansion plan, the Corporate Governance and Risk Management (CGRM) Department strives for improvement on speed and accessibility to better communications with all other units within the MPB Group. In April 2006, CGRM web portal was launched. Information such as Policies and Procedures, Limits of Authority Manual and other information pertaining to control, risk and governance matters are provided through the web portal. To be better informed of the happenings in CGRM and to be updated on the latest changes to the policies and procedures, staffs are advised to visit the web portal frequently. This web portal acts as an interactive platform by providing consulting service to promote and to support improvement and efficiency as well as to welcome feedbacks on all relevant issues. This development has entailed time and cost saving, efficacy and availability of information to MPB community.

• **Business Continuity Plan**

The Board recognises that disaster or business recovery planning is a key risk management strategy. The Business Continuity Plan (BCP) for the Group has been established in year 2005. This Plan focuses on the sudden inability of the television 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.

During the year, a walkthrough inspection was carried out by the BCP Chief Recovery Officer and the Recovery Executive Committee (REC) in the working environment at Sri Pentas to ensure effective measures were in place with regards to the office safety, security and health. REC has also looked into potential threats and hazard points at Sri Pentas during the inspection. Consequently, Heads of Departments were made aware of the findings for their onward action.

The BCP will continuously be updated to be consistent with the implementation of the Group's business operations.

• **Occupational Health and Safety Policy**

The Group has put in place the Occupational Health and Safety Policy and during the year of review, one of its subsidiaries, Sistem Televisyen Malaysia Berhad (TV3) has successfully obtained the Occupational Health and Safety Assessment Series certification (OHSAS 18001:1999) awarded by BVQI for establishing, implementing and maintaining of safety, health and conducive workplace related to broadcasting activities.

• **New Investment Appraisal**

MPB's achievements in year 2006 also included the acquisition of Big Tree Outdoor Sdn Bhd, UPD Sdn Bhd and The Right Channel Sdn Bhd (TRC). For all these new investments, risk assessment was conducted and mitigation strategies proposed to ensure that risks associated with these investments were highlighted and informed decision was made.

AUDIT COMMITTEE REPORT

MEMBERSHIP

The Audit Committee of Media Prima Berhad (Media Prima) was established on 18 August 2003 and currently comprises the following members:-

Dato' Dr Mohd Shahari bin Ahmad Jabar* (Chairman)

Abdul Rahman bin Ahmad**

Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak*

Tan Sri Lee Lam Thye*

* Independent non-executive directors

** A member of the Institute of Chartered Accountants, England & Wales

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2006, the Audit Committee held a total of 4 meetings. The details of the attendance of the Committee members are as follows:-

	10 th ACM 28.02.06	11 th ACM 17.05.06	12 th ACM 30.08.06	13 th ACM 29.11.06
Dato' Dr Mohd Shahari bin Ahmad Jabar	•	•	•	•
Abdul Rahman bin Ahmad	•	•	•	•
Tan Sri Lee Lam Thye	•	•	•	•
Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak	•	•	•	•

TERMS OF REFERENCE

In performing their duties and discharging their responsibilities, the Audit Committee is guided by the following Terms of Reference:-

Composition Of Members

- The Committee must be appointed from amongst its Directors which fulfils the following requirements:-
 - the Audit Committee must be composed of no fewer than 3 members;
 - a majority of the members must be independent directors; and
 - 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
- The Chairman shall be an independent, non-executive director.
- No alternate director is appointed as a member of the Audit Committee.
- 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.
- The Company Secretary shall act as Secretary to the Committee.

Scope

- 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.

AUDIT COMMITTEE REPORT CONT'D

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.
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.

Duties And Responsibilities

The duties and responsibilities of the Audit Committee shall be as follows:-

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;
 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;
 - Compliance with accounting standards and other legal requirements;
 6. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss;
 7. To review the external auditor's management letter and management's response;
- 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);

8. 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, processes, 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;
 - Ensuring that Internal Audit reports are not subject to the clearance of the Management, save for purposes of presentation to the Group Risk Management Committee.
9. To obtain satisfactory response from management on reports issued by internal and external auditors;
10. To consider the major findings of internal investigations and management's response;
11. To report to the Board:-
 - Significant findings identified and the impact of the audit findings on the operations;
 - Deliberations and decisions made at the Committee's level with focus given to significant issues and resolutions resolved by the Committee, on regular basis;
 - A summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues;
12. 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;
13. 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;
14. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the Committee, all the abovementioned function shall also be performed by the Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation;
15. 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;
16. To consider other areas as defined by the board.

Meetings

1. The Committee shall meet at least 4 times in a year to discuss any matters raised by the Auditors in discharging their functions. The quorum for a meeting of the Audit Committee shall be three of which the majority must be independent directors.

At least once a year, the whole Board shall meet with the external auditors without the presence of any executive Board member/Chief Executive Officer.

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

3. In addition to the Committee members, the Group Chief Financial Officer and the Group General Manager, Corporate Governance and Risk Management are invited for attendance at each meeting. The Head of companies/departments and their Management team will attend when audit reports on their companies/departments are tabled for discussion. The presence of External Auditors will be requested when required.
4. The Chairman shall upon the request of the External Auditor, convene a meeting of the committee to consider any matter the External Auditor believes should be brought to the attention of the directors or shareholders.
5. The auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the committee when required to do so by the Committee.

ACTIVITIES OF THE AUDIT COMMITTEE

In line with its Terms of Reference, the Committee carried out the following activities during the year in the discharge of its duties and responsibilities:-

Risks and Controls

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

Financial Results

- Reviewed the Group's quarterly results before recommending to the Board for their approval and release of the Group's results to the Bursa Securities focusing on the following areas, where relevant:-
 - Listing Requirements of the Bursa Securities;
 - Provisions of the Companies Act, 1965;
 - Applicable approved accounting standards.
- Reviewed the audited financial statements of Media Prima and its subsidiaries with the Group Chief Financial Officer and the external auditors before recommending to the Board for their approval.

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 2006.
- 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.
- Held a meeting with the external auditors in the absence of Management to discuss issues arising during the final audit.
- Reviewed their performance and independence before recommending to the Board their re-appointment and remuneration.

Internal Audit

- Reviewed the internal audit plan for the financial year 2006 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 a total of 19 audit reports on assignments and 23 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, as well as the audit programmes used in the execution of the internal auditors' work and the results of their work.
- Reviewed and determined the remuneration, increment and performance rating of the Group General Manager, Corporate Governance and Risk Management.
- Reviewed and appraised the overall performance of the Corporate Governance and Risk Management Department against the KPIs set for 2005 and approved the KPIs for the department for financial year 2006.

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.

Employees' Share Option Scheme

- Reviewed and verified allocation of share options during the year under the MPB Employees' Share Option Scheme (ESOS), to ensure compliance with the allocation criteria determined by the MPB ESOS Committee and in accordance with the by-laws of the MPB ESOS.

INTERNAL AUDIT FUNCTION

The Media Prima Group has an established internal audit function carried out by the Corporate Governance and Risk Management Department. The department reports to the Audit Committee and is responsible in providing an independent and objective assurance that adequate, efficient and effective internal control system is in place to anticipate potential risk exposures over key business processes. Through a systematic and disciplined approach, the internal audit function evaluates and improves the effectiveness of risk management, control and governance processes within the Group.

During the year, the Internal Audit has completed and issued reports for 19 assignments. The audits covered functions in the areas of engineering, finance, human resources, assets management, procurement, programme stock management, production, special projects and event management.

These were carried out in accordance with the Annual Audit Plan or on ad-hoc basis at the special request of either the Audit Committee or Management. In addition, the Internal Audit was in attendance in all major competitions organised by the Group, to verify and confirm the results of the competitions. The Internal Audit also attended stock-takes within the Group as an independent observer to ensure due process has been observed. The resulting reports of the audits undertaken were presented to the Audit Committee and forwarded to the Management for attention and necessary actions.

In accordance with the requirements of the Institute of Internal Auditors that an external quality assurance review be conducted at least once every five years, an external consultant has been appointed to conduct a Quality Assurance Review on the internal audit function. Report by the consultant has been deliberated and recommendations implemented to improve the performance of the department. It was noted, however, that the department has generally conformed to the Standards for the Professional Practice of Internal Auditing, the Code of Ethics, the internal audit charter and best practice.

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

- 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 the Internal Audit Customer Feedback Survey.

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.



operations



review





• NASIONAL
4.23 juta tonton siaran ABPBH

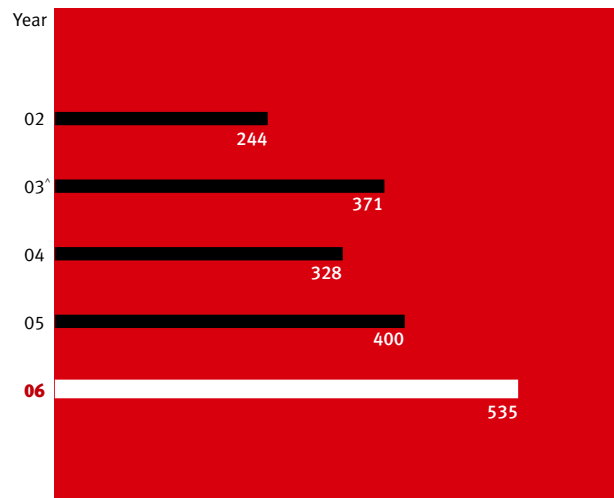


5-YEAR FINANCIAL HIGHLIGHTS

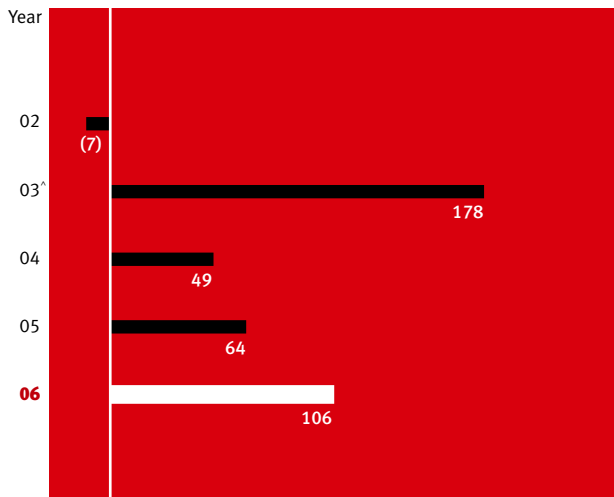
	GROUP				
	YEAR ENDED 31 DEC 2006 RM'000	YEAR ENDED 31 DEC 2005 RM'000	YEAR ENDED 31 DEC 2004 RM'000	16 MONTHS ENDED 31 DEC 2003 RM'000	YEAR ENDED 31 AUGUST 2002 RM'000
Revenue	534,689	399,689	328,405	371,156	244,361
Profit/(Loss) Before Taxation	105,651	64,317	49,432	178,275	(7,169)
Net Profit/(Loss) After Taxation	82,994	54,794	33,856	167,879	(30,141)
Minority Interests	(2,712)	1,451	3,857	587	161
Share Capital	763,852	600,109	540,658	540,658	263,675
Shareholders' Funds*	314,131	36,470	256,921	219,208	(367,785)
Earnings Per Share (sen) (Basic)**	11	9	7	47	(11)
Return On Shareholders' Funds (%)	26	150	13	77	8
Net Assets Backing Per Share (RM)	0.41	0.06	0.48	0.41	(1.39)
Number Of Employees	1,614	1,512	1,110	1,070	1,161

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

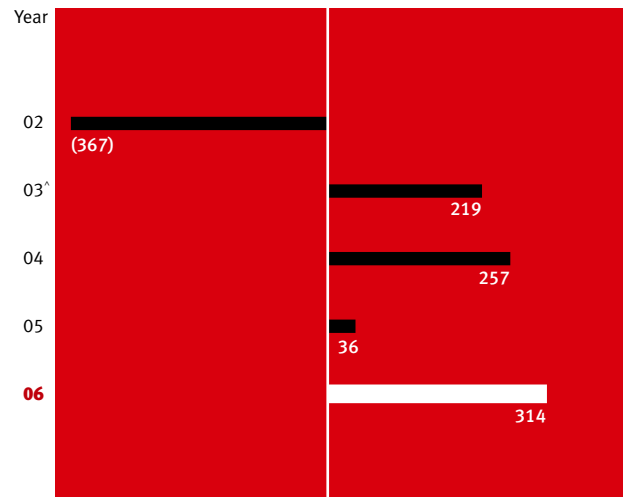
** Earnings per Share (Basic) : Net Profit After Taxation and Minority Interests of RM80,282,000 (2005: RM56,245,000) and the weighted average number of ordinary shares in issue of 709,261,000 (2005 : 660,766,000)



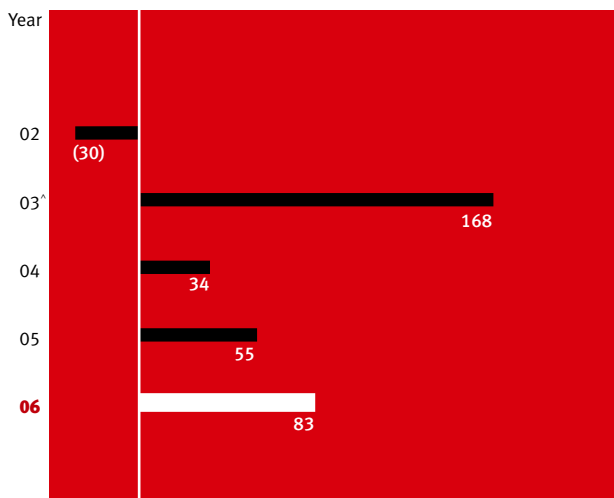
Group Revenue RM Million



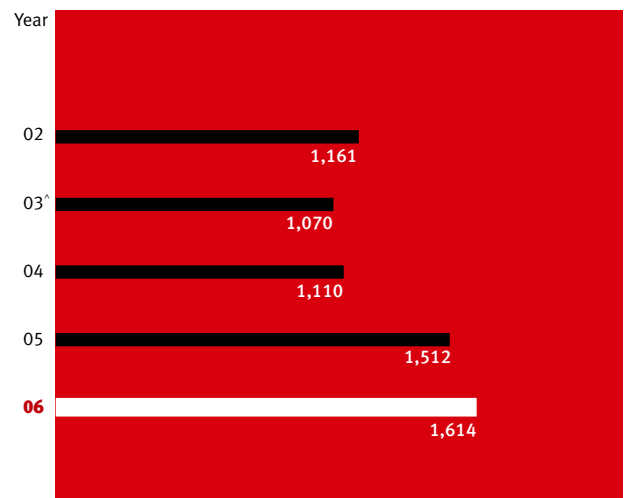
Group Profit/(Loss) Before Taxation RM Million



Group Shareholders' Funds RM Million



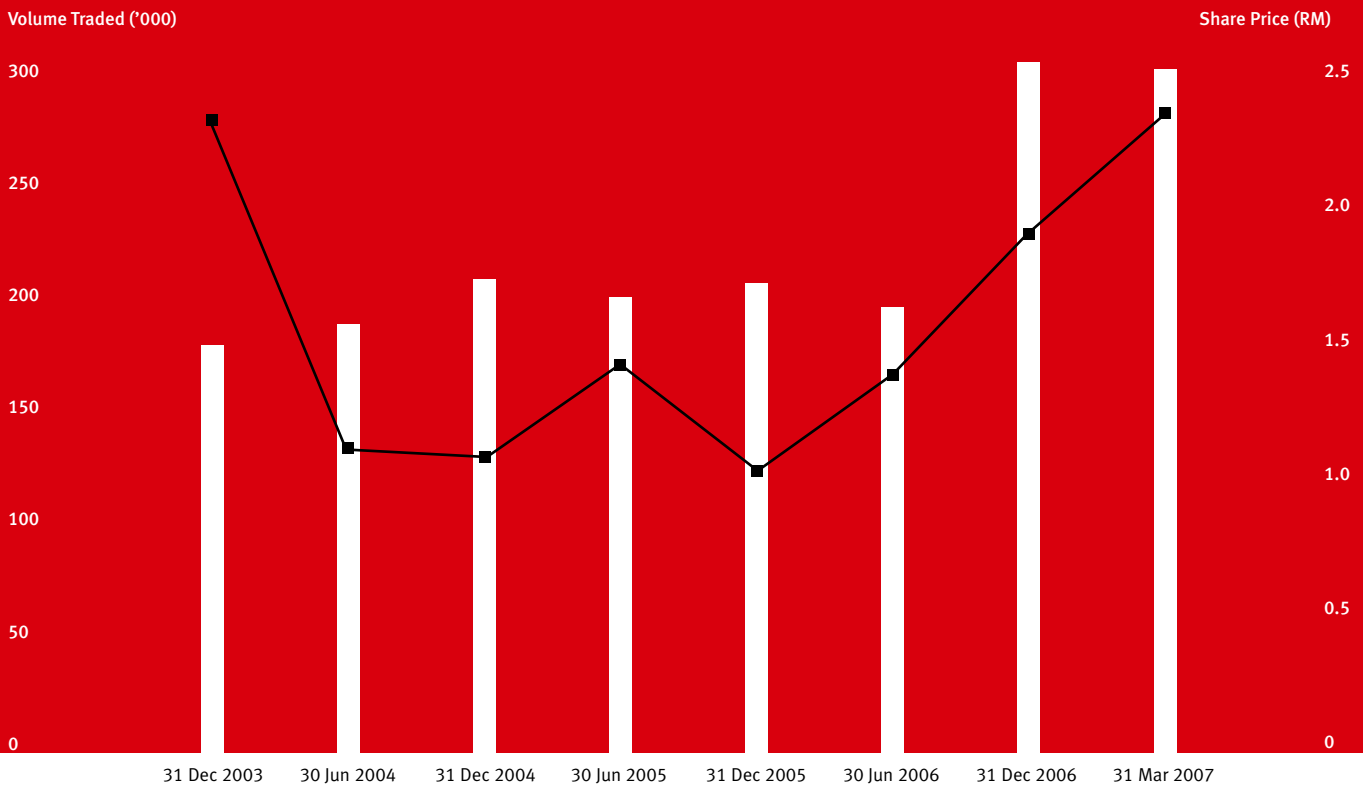
Net Profit/(Loss) After Taxation RM Million


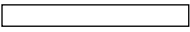


Group Employees No. of Employees

[^] 16 months ended 31 December 2003

SHARE PRICE CHART

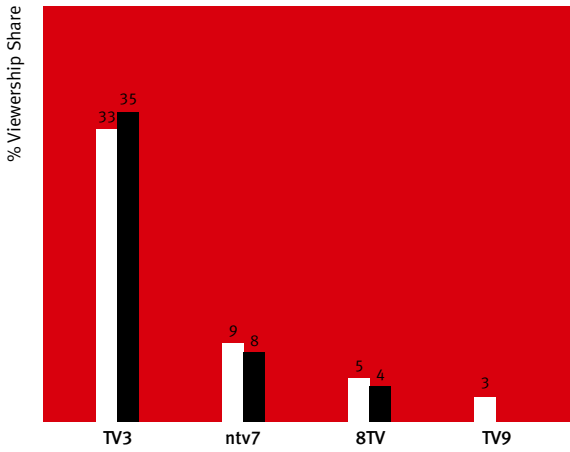


Volume Traded  Share Price 

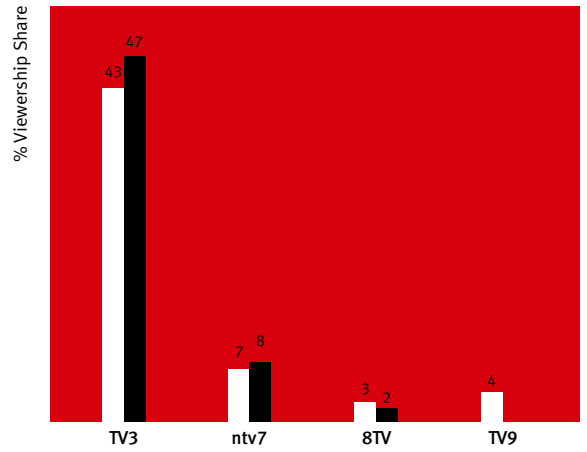
VIEWERSHIP & LISTENERSHIP DATA

TV VIEWERSHIP SHARE (FREE-TO-AIR & PAY TV)

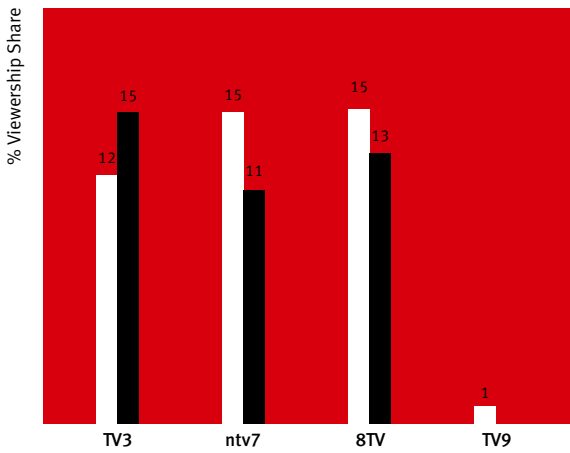
TOTAL 6+ VIEWERS



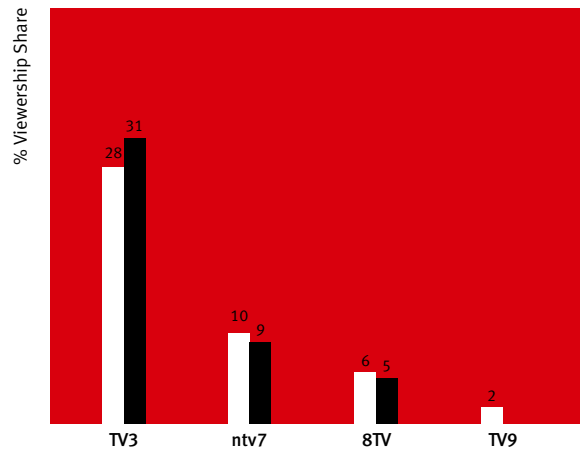
TOTAL MALAY 6+ VIEWERS



TOTAL CHINESE 6+ VIEWERS

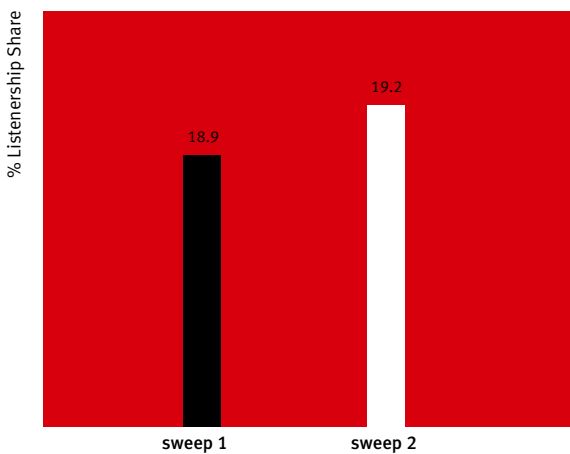


TOTAL URBAN 6+ VIEWERS



RADIO LISTENERSHIP SHARE

HOT FM AUDIENCE REACH SWEEP 1&2 2006



FLY FM AUDIENCE REACH SWEEP 1&2 2006

