

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

for the financial year
ended 31 December 2006

The Directors have pleasure in submitting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2006.

PRINCIPAL ACTIVITIES

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

The principal activities of the Group during the financial year consist of investment holding, commercial television and radio broadcasting, general media advertising, sale of programme rights, sale of videos, cable and laser rights and the provision of production, event management and other industry related services.

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

FINANCIAL RESULTS

| | GROUP RM'000 | COMPANY RM'000 |
|-----------------------------------|-----------------|-------------------|
| Net profit for the financial year | 82,994 | 3,923 |
| Attributable to: | | |
| Equity holders of the Company | 80,282 | 3,923 |
| Minority interests | 2,712 | – |
| Net profit for the financial year | 82,994 | 3,923 |

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2005 were as follows:

| | RM'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| In respect of the financial year ended 31 December 2005, final gross dividend of 2 sen per share, less income tax of 28%, paid on 18 August 2006: | |
| - as shown in the Directors' report of that year, dividends on 600,109,077 ordinary shares | 8,642 |
| - dividends on additional 139,537,336 ordinary shares issued subsequent to 31 December 2005 up to the date of book closure on 31 July 2006 due to conversion of debt and equity instruments | 2,009 |
| | 10,651 |

The Directors now recommend the payment of a final gross dividend of 3.5 sen per share on 763,852,370 ordinary shares, less income tax of 27% (2005: 28%), amounting to RM19,516,428 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 15 August 2007 to shareholders registered on the Company's Register of Members at the close of business on 31 July 2007.

RESERVES AND PROVISIONS

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

ISSUANCE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from RM600,109,077 to RM763,852,370 by way of:

- (a) 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. The premium arising from the ICULS conversion of RM26,212,021 has been credited to the Share Premium account.
- (b) 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. The premium arising from the exercise of Warrants of RM18,028,774, including the transfer of proceeds from issuance of Warrants of RM9,014,387 from warrants reserve, has been credited to the Share Premium account.
- (c) Issuance of 21,175,400 ordinary shares of RM1.00 each pursuant to the exercise of the Employee Share Option Scheme (“ESOS”) at an exercise price of RM1.46 and RM1.55 per share. The premium arising from the exercise of ESOS of RM10,308,978 has been credited to the Share Premium account.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEE SHARE OPTION SCHEME (“ESOS”)

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

Details of the ESOS are set out in Note 10 to the financial statements.

DIRECTORS

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

Dato’ Abdul Mutalib bin Datuk Seri Mohamed Razak

Tan Sri Lee Lam Thye

Dato’ Dr Mohd Shahari Ahmad Jabar

Abdul Rahman Ahmad

Shahril Ridza Ridzuan

Dato’ Seri Mohamed Jawhar

(appointed on 30 August 2006)

Dato’ Ahmad Farid Ridzuan

(appointed on 30 August 2006)

Datuk Kamarulzaman Hj Zainal

(appointed on 30 August 2006)

DIRECTORS' REPORT

for the financial year
ended 31 December 2006
CONT'D

DIRECTORS (CONTINUED)

In accordance with Article 106 of the Company's Articles of Association, Dato' Seri Mohamad Jawhar, Dato' Ahmad Farid Ridzuan and Datuk Kamarulzaman Hj Zainal, who were appointed during the year, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for election.

In accordance with Articles 101 and 102 of the Company's Articles of Association, Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak and Shahril Ridza Ridzuan retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS (see Note 6 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

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

| | NUMBER OF ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY | | | |
|------------------------------|---------------------------------------------------------|-------------------|-------------------|-----------------------------------|
| | AT APPOINTMENT DATE '000 | ADDITIONS '000 | DISPOSALS '000 | AT 31 DECEMBER 2006 '000 |
| Dato' Ahmad Farid Ridzuan | – | 700 | (100) | 600 |
| Datuk Kamarulzaman Hj Zainal | – | 300 | (200) | 100 |

| | NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY | | | |
|------------------------------|----------------------------------------------------------------------|-----------------|-------------------|-----------------------------------|
| | AT 1 JANUARY 2006/ APPOINTMENT DATE '000 | GRANTED '000 | EXERCISED '000 | AT 31 DECEMBER 2006 '000 |
| Abdul Rahman Ahmad | 1,500 | – | – | 1,500 |
| Dato' Ahmad Farid Ridzuan | 1,250 | – | (700) | 550 |
| Datuk Kamarulzaman Hj Zainal | 1,000 | – | (300) | 700 |

None of the other Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

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

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made, other than as disclosed in Note 48 to the financial statements.

DIRECTORS' REPORT

for the financial year
ended 31 December 2006
CONT'D

SIGNIFICANT POST BALANCE SHEET EVENTS

Significant post balance sheet events are disclosed in Note 48 to the financial statements.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 March 2007.

DATO' ABDUL MUTALIB BIN DATUK SERI MOHAMED RAZAK

CHAIRMAN

ABDUL RAHMAN AHMAD

MANAGING DIRECTOR

INCOME STATEMENTS

for the financial year
ended 31 December 2006

| | NOTE | GROUP | | COMPANY | |
|----------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Revenue | 2 | 534,689 | 399,689 | 26,821 | 93,768 |
| Other operating income | | 16,287 | 14,045 | – | 14 |
| Finance income | 3 | 678 | 1,672 | – | – |
| Programmes, film rights and album production costs | | | | | |
| - Amortisation | | (152,727) | (115,337) | – | – |
| - Write off | | (520) | (1,168) | – | – |
| Prepaid programme and film rights written off | | (2,680) | – | – | – |
| Costs of production | | (13,626) | (22,707) | – | – |
| Employee benefits costs | 4 | (124,419) | (93,840) | (4,898) | (3,312) |
| Voluntary separation scheme expenses | | – | (6,139) | – | (81) |
| Advertising and promotion expenses | | (19,180) | (9,606) | (229) | (69) |
| Transmission expenses | | (16,204) | (6,822) | – | – |
| Repairs and maintenance | | (12,653) | (6,165) | (17) | – |
| Utilities | | (11,667) | (7,625) | (35) | (47) |
| Professional and consultancy fees | | (4,265) | (6,382) | (784) | (3,189) |
| Rental of premises | | (9,472) | (9,039) | – | – |
| Rental of transmission stations | | (13,756) | (7,729) | – | – |
| Property, plant and equipment | | | | | |
| - Depreciation | | (27,022) | (22,242) | (4) | (3) |
| - Write off | | – | (588) | – | – |
| Loss on measurement of asset held-for-sale to fair value less cost to sell | 34 | (1,941) | – | – | – |
| Investment properties | | | | | |
| - Depreciation | | (1,786) | (1,629) | – | – |
| - Impairment losses | | (2,165) | – | – | – |
| Allowances for doubtful debts of trade and other receivables | | | | | |
| - Write back | | 15,049 | 477 | – | – |
| - Allowances | | (3,342) | (4,411) | – | – |
| Write back of long outstanding creditors and accruals | | 6,756 | – | – | – |
| Other operating expenses | | (36,171) | (20,622) | (2,106) | (1,931) |
| Profit from operations | 5 | 119,863 | 73,832 | 18,748 | 85,150 |
| Finance costs | 3 | (24,847) | (14,883) | (12,833) | (8,766) |
| Share of results of an associate | | 10,635 | 5,368 | – | – |
| Profit before taxation | | 105,651 | 64,317 | 5,915 | 76,384 |
| Taxation | 7 | (22,657) | (9,523) | (1,992) | (22,614) |
| Net profit for the financial year | | 82,994 | 54,794 | 3,923 | 53,770 |

INCOME STATEMENTS

for the financial year
ended 31 December 2006
CONT'D

| | NOTE | GROUP | | COMPANY | |
|---------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Attributable to: | | | | | |
| Equity holders of the Company | | 80,282 | 56,245 | | |
| Minority interests | | 2,712 | (1,451) | | |
| | | 82,994 | 54,794 | | |
| Earnings per share attributable to ordinary equity holders of the Company | | | | | |
| - basic (sen) | 8 | 11.32 | 8.51 | | |
| - diluted (sen) | 8 | 10.75 | 8.05 | | |

The accounting policies on pages 119 to 133 and the notes on pages 134 to 184 form an integral part of these financial statements.

BALANCE SHEETS

as at 31 December 2006

| | NOTE | GROUP | | COMPANY | |
|---------------------------------------------------------------------------|------|----------------|----------------|------------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | | | | |
| Share capital | 10 | 763,852 | 600,109 | 763,852 | 600,109 |
| Share premium | 11 | 111,677 | 57,127 | 111,677 | 57,127 |
| Other reserves | 12 | 28,165 | 38,428 | 2,385 | 11,399 |
| (Accumulated losses)/retained earnings | 14 | (589,563) | (659,194) | 44,957 | 51,685 |
| | | 314,131 | 36,470 | 922,871 | 720,320 |
| MINORITY INTERESTS | | (632) | (3,229) | - | - |
| TOTAL EQUITY | | 313,499 | 33,241 | 922,871 | 720,320 |
| NON-CURRENT LIABILITIES | | | | | |
| Irredeemable convertible unsecured loan stocks | 15 | 13,921 | 92,557 | 13,921 | 92,557 |
| Redeemable unsecured loan stocks | 16 | 31,022 | 62,044 | - | - |
| Medium term notes | 17 | 70,000 | 70,000 | 70,000 | 70,000 |
| Unsecured redeemable exchangeable bonds | 19 | 83,762 | 83,500 | 83,762 | 83,500 |
| Interest bearing bank borrowings: | | | | | |
| - Term loans | 20 | 70,000 | 70,734 | - | - |
| Hire-purchase and lease creditors | 21 | 9,134 | 337 | - | - |
| Trade and other payables | 22 | 18,732 | 52,063 | 8,507 | 30,000 |
| Deferred tax liabilities | 23 | 704 | 704 | - | - |
| | | 297,275 | 431,939 | 176,190 | 276,057 |
| | | 610,774 | 465,180 | 1,099,061 | 996,377 |
| Represented by: | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment | 24 | 175,195 | 160,824 | 24 | 7 |
| Investment properties | 25 | 13,585 | 77,832 | - | - |
| Subsidiaries | 26 | - | - | 430,481 | 430,481 |
| Associates | 27 | 325,303 | 317,973 | 399,651 | 399,651 |
| Investments | 28 | 2,692 | 2,488 | - | - |
| Prepaid transmission station rentals | | 3,015 | 3,299 | - | - |
| Intangible assets | 29 | 38,736 | 33,843 | - | - |
| Deferred tax assets | 23 | 2,938 | 2,420 | - | - |
| | | 561,464 | 598,679 | 830,156 | 830,139 |

BALANCE SHEETS

as at 31 December 2006
CONT'D

| | NOTE | GROUP | | COMPANY | |
|-----------------------------------------|------|----------------|------------------|------------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| CURRENT ASSETS | | | | | |
| Inventories | 30 | 1,304 | 1,192 | – | – |
| Trade and other receivables | 31 | 183,595 | 160,722 | 3,025 | 2,990 |
| Amounts due from subsidiaries | 32 | – | – | 263,594 | 222,328 |
| Deposits, cash and bank balances | 33 | 130,265 | 65,952 | 80,823 | 13,019 |
| | | 315,164 | 227,866 | 347,442 | 238,337 |
| Property classified as held-for-sale | 34 | 58,660 | – | – | – |
| | | 373,824 | 227,866 | 347,442 | 238,337 |
| LESS: CURRENT LIABILITIES | | | | | |
| Trade and other payables | 22 | 223,459 | 263,279 | 29,927 | 41,962 |
| Amounts due to an associate | 35 | 1,243 | 1,019 | – | – |
| Redeemable unsecured loan stocks | 16 | 31,022 | 26,590 | – | – |
| Commercial papers | 17 | – | 30,000 | – | 30,000 |
| Interest bearing bank borrowings: | | | | | |
| - Term loans | 20 | 48,823 | 19,296 | 48,490 | – |
| - Bank overdrafts | 20 | 783 | – | – | – |
| Current tax liabilities | | 19,184 | 21,181 | 120 | 137 |
| | | 324,514 | 361,365 | 78,537 | 72,099 |
| NET CURRENT ASSETS/(LIABILITIES) | | 49,310 | (133,499) | 268,905 | 166,238 |
| | | 610,774 | 465,180 | 1,099,061 | 996,377 |

The accounting policies on pages 119 to 133 and the notes on pages 134 to 184 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year
ended 31 December 2006

| ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | | | | | | | | |
|-------------------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------|------------------------------------------|--------------------------------------|-----------------|---------------------------------|---------------------------|
| ISSUED AND FULLY PAID ORDINARY SHARES OF RM1.00 EACH | | | | | | | | |
| NOTE | NUMBER OF SHARES '000 | NOMINAL VALUE RM'000 | SHARE PREMIUM (NOTE 11) RM'000 | OTHER RESERVES (NOTE 12) RM'000 | ACCU- MULATED LOSSES RM'000 | TOTAL RM'000 | MINORITY INTERESTS RM'000 | TOTAL EQUITY RM'000 |
| 2006 | | | | | | | | |
| At 1 January 2006 | 600,109 | 600,109 | 57,127 | 38,428 | (659,194) | 36,470 | (3,229) | 33,241 |
| Issuance of shares arising from: | 10 | | | | | | | |
| - Conversion of ICULS | (a) 52,424 | 52,424 | 26,212 | - | - | 78,636 | - | 78,636 |
| - Exercise of Warrants | (b) 90,144 | 90,144 | 18,029 | (9,014) | - | 99,159 | - | 99,159 |
| - Exercise of ESOS | (c) 21,175 | 21,175 | 10,309 | - | - | 31,484 | - | 31,484 |
| Currency translation differences | - | - | - | (1,249) | - | (1,249) | (115) | (1,364) |
| Final dividend paid for the financial year ended 31 December 2005 | 9 | - | - | - | (10,651) | (10,651) | - | (10,651) |
| Net profit for the financial year | - | - | - | - | 80,282 | 80,282 | 2,712 | 82,994 |
| At 31 December 2006 | 763,852 | 763,852 | 111,677 | 28,165 | (589,563) | 314,131 | (632) | 313,499 |
| 2005 | | | | | | | | |
| At 1 January 2005 | 540,658 | 540,658 | 27,698 | 38,529 | (349,964) | 256,921 | (1,718) | 255,203 |
| Issuance of shares arising from: | 10 | | | | | | | |
| - Conversion of ICULS | (a) 58,295 | 58,295 | 29,148 | - | - | 87,443 | - | 87,443 |
| - Exercise of Warrants | (b) 1,012 | 1,012 | 202 | (101) | - | 1,113 | - | 1,113 |
| - Exercise of ESOS | (c) 144 | 144 | 79 | - | - | 223 | - | 223 |
| Goodwill on acquisitions of subsidiaries written off | - | - | - | - | (365,475) | (365,475) | - | (365,475) |
| Arising from acquisition of subsidiaries | - | - | - | - | - | - | (60) | (60) |
| Net profit for the financial year | - | - | - | - | 56,245 | 56,245 | (1,451) | 54,794 |
| At 31 December 2005 | 600,109 | 600,109 | 57,127 | 38,428 | (659,194) | 36,470 | (3,229) | 33,241 |

The accounting policies on pages 119 to 133 and the notes on pages 134 to 184 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year
ended 31 December 2006

| | NOTE | ISSUED AND FULLY PAID ORDINARY SHARES OF RM1.00 EACH | | NON-DISTRIBUTABLE | | DISTRIBUTABLE | TOTAL RM'000 |
|-------------------------------------------------------------------------|------|---------------------------------------------------------|----------------------------|-----------------------------------------|------------------------------------------|--------------------------------|-----------------|
| | | NUMBER OF SHARES '000 | NOMINAL VALUE RM'000 | SHARE PREMIUM (NOTE 11) RM'000 | OTHER RESERVES (NOTE 12) RM'000 | RETAINED EARNINGS RM'000 | |
| 2006 | | | | | | | |
| At 1 January 2006 | | 600,109 | 600,109 | 57,127 | 11,399 | 51,685 | 720,320 |
| Issuance of shares arising from: | 10 | | | | | | |
| - Conversion of ICULS | (a) | 52,424 | 52,424 | 26,212 | - | - | 78,636 |
| - Exercise of Warrants | (b) | 90,144 | 90,144 | 18,029 | (9,014) | - | 99,159 |
| - Exercise of ESOS | (c) | 21,175 | 21,175 | 10,309 | - | - | 31,484 |
| Final dividend paid for the financial year ended 31 December 2005 | 9 | - | - | - | - | (10,651) | (10,651) |
| Net profit for the financial year | | - | - | - | - | 3,923 | 3,923 |
| At 31 December 2006 | | 763,852 | 763,852 | 111,677 | 2,385 | 44,957 | 922,871 |
| 2005 | | | | | | | |
| At 1 January 2005 | | 540,658 | 540,658 | 27,698 | 11,500 | (2,085) | 577,771 |
| Issuance of shares arising from: | 10 | | | | | | |
| - Conversion of ICULS | (a) | 58,295 | 58,295 | 29,148 | - | - | 87,443 |
| - Exercise of Warrants | (b) | 1,012 | 1,012 | 202 | (101) | - | 1,113 |
| - Exercise of ESOS | (c) | 144 | 144 | 79 | - | - | 223 |
| Net profit for the financial year | | - | - | - | - | 53,770 | 53,770 |
| At 31 December 2005 | | 600,109 | 600,109 | 57,127 | 11,399 | 51,685 | 720,320 |

The accounting policies on pages 119 to 133 and the notes on pages 134 to 184 form an integral part of these financial statements.

CASH FLOW STATEMENTS

for the financial year
ended 31 December 2006

| | NOTE | GROUP | | COMPANY | |
|--------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash flows generated from operations | 38 | 85,750 | 74,362 | (20,832) | (20,067) |
| Income tax paid | | (25,134) | (23,507) | (124) | (783) |
| Net cash flow from operating activities | | 60,616 | 50,855 | (20,956) | (20,850) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Payment to scheme creditors of subsidiaries | | (10,714) | (69,587) | (10,714) | (69,587) |
| Acquisition of subsidiaries | 37 | – | (88,406) | – | (95,000) |
| Part payment of purchase consideration of subsidiaries | | (35,000) | – | (35,000) | – |
| Property, plant and equipment | | | | | |
| - Purchase | | (28,039) | (38,456) | (21) | (4) |
| - Proceeds from disposals | | 461 | 621 | – | – |
| Interest received | | 2,048 | 2,438 | 1,370 | 766 |
| Dividends received | | 3,482 | 3,506 | 3,385 | 57,673 |
| Net cash flow from investing activities | | (67,762) | (189,884) | (40,980) | (106,152) |

CASH FLOW STATEMENTS

for the financial year
ended 31 December 2006
CONT'D

| | NOTE | GROUP | | COMPANY | |
|-------------------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from issuance of shares arising from exercise of | | | | | |
| - Warrants | | 99,159 | 1,113 | 99,159 | 1,113 |
| - ESOS | | 31,484 | 223 | 31,484 | 223 |
| Repayment of term loans | | (19,697) | (983) | - | - |
| Interest paid | | (24,317) | (18,048) | (12,833) | (8,427) |
| Dividend paid to shareholders of the Company | | (10,651) | - | (10,651) | - |
| Repayment of Commercial papers | | (30,000) | - | (30,000) | - |
| Repayment of redeemable unsecured loan stocks | | (26,590) | - | - | - |
| Repayments of hire-purchase and lease creditors | | (1,137) | (2,559) | - | - |
| Drawdown of term loans | | 48,490 | - | 48,490 | - |
| Drawdown of revolving credit | | 3,000 | - | - | - |
| Repayment of revolving credit | | (3,000) | - | - | - |
| Proceeds from issuance of unsecured redeemable exchangeable bonds | | - | 83,500 | - | 83,500 |
| Net cash flow from financing activities | | 66,741 | 63,246 | 125,649 | 76,409 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR | | 59,595 | (75,783) | 63,713 | (50,593) |
| CURRENCY TRANSLATION DIFFERENCES | | (106) | - | - | - |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | 62,020 | 137,803 | 10,110 | 60,703 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 36 | 121,509 | 62,020 | 73,823 | 10,110 |

The accounting policies on pages 119 to 133 and the notes on pages 134 to 184 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
ended 31 December 2006

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgements in the process of applying the Company’s accounting policies. Although these estimates and judgements are based on the Directors’ best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in accounting policy Note AB.

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

The new accounting standards, amendments to published standards and IC Interpretations to existing standards effective for the Company’s financial years beginning on or after 1 January 2006 are as follows:

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Presentation of Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effect of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investment in Associates
- FRS 131 Interests in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property
- Amendments to FRS 119 2004 Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures - in relation to the “asset ceiling” test

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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A BASIS OF PREPARATION (CONTINUED)

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

- IC 107 Introduction to Euro
- IC 110 Government Assistance - No specific relation to Operating Activities
- IC 112 Consolidation - Special Purpose Entities
- IC 113 Jointly Controlled Entities - Non-Monetary Contributions by Venturers
- IC 115 Operating Leases - Incentives
- IC 121 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- IC 125 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- IC 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IC 129 Disclosure - Service Concession Arrangements
- IC 131 Revenue - Barter Transactions Involving Advertising Services
- IC 132 Intangible Assets - Web Site Costs

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and interpretations. All standards, amendments and interpretations adopted by the Group require retrospective application other than:

- FRS 2 - retrospective application for all equity instruments granted after 31 December 2004 and not vested as at 1 January 2006;
- FRS 3 - prospectively for business combinations for which the agreement date is on or after 1 January 2006;
- FRS 5 - prospectively to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and to operations that meet the criteria to be classified as discontinued on or after 1 January 2006;
- FRS 116 - the exchange of property, plant and equipment is accounted at fair value prospectively;
- FRS 121 - prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- FRS 136 and 138 - applies to goodwill and intangible assets acquired in business combinations for which the agreement date is on or after 1 January 2006 and all other assets prospectively from 1 January 2006;
- FRS 140 - prospective accounting for investment properties at fair value.

A summary of the impact of the new accounting standards, amendments to published standards and interpretations to existing standards on the financial statements of the Group and of the Company is set out in Note 41.

(b) Standards that are not yet effective and have not been early adopted

The new standards that are mandatory for the Group's financial year beginning on or after 1 January 2007 or later periods, but which the Group has not early adopted, are as follows:

- FRS 117 "Leases" (effective for accounting periods beginning on or after 1 October 2006). This standard requires the classification of leasehold land as prepaid lease payments. The Group will apply this standard from the financial year beginning on 1 January 2007.

A BASIS OF PREPARATION (CONTINUED)

(b) Standards that are not yet effective and have not been early adopted (continued)

- FRS 124 “Related Party Disclosures” (effective for accounting periods beginning on or after 1 October 2006). This standard will affect the identification of related parties and some other related party disclosures. The Group will apply this standard from the financial year beginning 1 January 2007.
- FRS 139 “Financial Instruments: Recognition and Measurement” (effective date yet to be determined by MASB). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when it becomes effective.

(c) Standards and amendments to published standards that are not yet effective and not relevant for the Group’s operations.

- FRS 6 “Exploration for and Evaluation of Mineral Resources” (effective for accounting periods beginning on or after 1 January 2007). FRS 6 is not relevant to the Group’s operations as the Group does not carry out exploration for and evaluation of mineral resources.
- Amendment to FRS 119 2004 “Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures” (effective for accounting periods beginning on or after 1 January 2007). This amendment is not relevant to the Group as the Group does not have any defined benefit plan.

B BASIS OF CONSOLIDATION

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

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

- internal group reorganisations, as defined in FRS 122 2004, consolidated on/after 1 April 2002 but with agreement dates before 1 January 2006 where:
 - the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
 - the minorities’ share of net assets of the Group is not altered by the transfer
- business combinations involving entities or businesses under common control with agreement dates on or after 1 January 2006

The Group has taken advantage of the exemption provided by FRS122 2004 and FRS 3 to apply these standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these standards.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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CONT'D

B BASIS OF CONSOLIDATION (CONTINUED)

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

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

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

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

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

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

C ASSOCIATES

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

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

C ASSOCIATES (CONTINUED)

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

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

Dilution gains and losses in associates are recognised in the income statement.

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

D GOODWILL

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

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

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

E INVESTMENTS

Investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note J on impairment of assets.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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CONT'D

F PROPERTY, PLANT AND EQUIPMENT

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

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

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

Freehold land is not depreciated as it has an infinite life. Long term leasehold land is amortised in equal instalments over the respective lease periods, ranging between 50 and 90 years.

Depreciation on assets under construction commences when the assets are ready for their intended use.

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

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

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

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

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

G INVESTMENT PROPERTIES

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

G INVESTMENT PROPERTIES (CONTINUED)

Freehold land is not depreciated as it has an infinite life. Long term leasehold land is amortised in equal installments over the respective lease periods, ranging between 50 and 90 years.

Depreciation on the other investment properties is calculated so as to write off the cost of the assets on a straight line basis over the expected useful lives of the assets concerned, as summarised below:

Buildings 20 - 50 years

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

H INTANGIBLE ASSETS - PROGRAMMES AND FILM RIGHTS

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

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

The amortisation rates are:

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

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

I PREPAID EXPENDITURE

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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CONT'D

J IMPAIRMENT OF ASSETS

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

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

K NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE

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

L TRADE RECEIVABLES

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

M INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

(i) Consumable spares

Consumable spares comprise spare parts for broadcasting and transmission equipment and are expensed off upon utilisation.

(ii) Other inventories

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

N CASH AND CASH EQUIVALENTS

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

O LEASES

(i) Finance leases

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

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

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

(ii) Operating leases

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

P INCOME TAXES

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

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

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

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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Q EMPLOYEE BENEFITS

(i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to equity holders of the Company after certain adjustments. The Group recognises a provision where contractual obligation or where there is a past practice that has created a constructive obligation.

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

(ii) Post-employment benefits - Defined contribution plans

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

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

(iii) Termination benefits

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

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for its employees.

Employee services received in exchange for the grant of the share options are recognised as an expense in the income statement over the vesting periods of the grant, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Q EMPLOYEE BENEFITS (CONTINUED)

(iv) Share-based compensation (continued)

The Group has taken advantage of the transitional provisions of FRS 2 in respect of equity instruments granted after 31 December 2004 and not vested as at 1 January 2006, and therefore not recognised any expenses in the current financial year.

R PROVISIONS

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

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

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

S CONTINGENT LIABILITIES

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

T SHARE CAPITAL

Ordinary shares are classified as equity.

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

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

U DEBT INSTRUMENTS

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

- (i) Irredeemable convertible unsecured loan stocks ("ICULS")
- (ii) Redeemable unsecured loan stocks ("RULS")
- (iii) Warrants
- (iv) Commercial papers/medium term loans ("CP/MTN")
- (v) Unsecured redeemable exchangeable bonds ("UREB")

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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CONT'D

U DEBT INSTRUMENTS (CONTINUED)

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

The Group has taken advantage of the exemption provided by FRS 132 "Financial Instruments: Disclosure and Presentation" not to reclassify compound financial instruments issued by the Company prior to 1 January 2003 into liabilities and equity components. Accordingly, the ICULS issued by the Company continued to be classified as liabilities.

V WARRANTS RESERVE

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

W BORROWINGS

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

X INCOME RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of discounts, commissions, rebates and taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

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

X INCOME RECOGNITION (CONTINUED)

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon telecast of advertisements, net of discounts, sales commissions and sales rebates, if any.

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

Y FOREIGN CURRENCIES

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year
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CONT'D

Z SEGMENT REPORTING

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

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

AA FINANCIAL INSTRUMENTS

(i) Description

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

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

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

(ii) Financial instruments recognised on the balance sheet

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

(iii) Fair value estimation for disclosure purposes

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

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

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

AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Deferred tax asset

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgements regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(ii) Estimation of income taxes

Income taxes are estimated based on the rules governed under the Income Tax Act, 1967. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Assessment of impairment of investments

Certain judgements in terms of assessing future uncertain parameters such as future economic growth, future growth in advertising expenditure, future inflationary figures, appropriate discount rates etc, are required in order to project the future cash flows of the businesses of investee companies. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

(iv) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 43 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings. Each case is unique and therefore, the eventual outcome cannot be ascertained with virtual certainty.

(b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
ended 31 December 2006

1 GENERAL INFORMATION

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

The principal activities of the Group during the financial year consist of investment holding, commercial television and radio broadcasting, general media advertising, sale of programme rights, sale of videos, cable and laser rights and the provision of production, event management and other industry related services.

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

The number of employees at the end of the financial year amounted to 1,614 (2005: 1,512) employees in the Group and 28 (2005: 7) employees in the Company.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office and principal place of business of the Company is as follows:

Sri Pentas
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan

2 REVENUE

| | GROUP | | COMPANY | |
|------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Advertising income | 517,846 | 386,016 | – | – |
| Sale of programmes, videos, cable and laser rights and media revenue | 9,657 | 6,643 | – | – |
| Fees from provision of production services, sponsorship and event management services | 5,816 | 5,873 | – | – |
| Fees from provision of procurement services | – | – | 13,770 | 7,972 |
| Fees from provision of other industry related services | – | 391 | – | – |
| Interest income (Note 3) | 1,370 | 766 | 6,321 | 5,716 |
| Gross dividends from a subsidiary | – | – | 2,028 | 75,378 |
| Gross dividends from an associate | – | – | 4,702 | 4,702 |
| | 534,689 | 399,689 | 26,821 | 93,768 |

3 FINANCE INCOME AND COSTS

| | GROUP | | COMPANY | |
|----------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Finance income: | | | | |
| Interest income classified in | | | | |
| - Revenue (Note 2) | (1,370) | (766) | (6,321) | (5,716) |
| - Other interest income | (678) | (1,672) | - | - |
| | (2,048) | (2,438) | (6,321) | (5,716) |
| Finance costs: | | | | |
| Interest expenses on: | | | | |
| - ICULS | 910 | 2,718 | 910 | 2,718 |
| - RULS | 3,509 | 3,982 | - | - |
| - Medium term notes | 4,838 | 4,865 | 4,838 | 4,865 |
| - Commercial papers | 858 | 843 | 858 | 843 |
| - Term loans | 7,802 | 1,532 | 829 | - |
| - UREB | 5,398 | 340 | 5,398 | 340 |
| - Scheme creditors of subsidiaries (Note 22) | 1,186 | - | - | - |
| - Others | 346 | 603 | - | - |
| | 24,847 | 14,883 | 12,833 | 8,766 |
| Net finance costs | 22,799 | 12,445 | 6,512 | 3,050 |

4 EMPLOYEE BENEFITS COSTS

| | GROUP | | COMPANY | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Wages, salaries and bonus | 103,750 | 79,014 | 4,208 | 2,804 |
| Defined contribution retirement plan | 13,289 | 10,180 | 539 | 420 |
| Termination benefits | 206 | 278 | - | - |
| Other employee benefits | 7,174 | 4,368 | 151 | 88 |
| | 124,419 | 93,840 | 4,898 | 3,312 |

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
ended 31 December 2006
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5 PROFIT FROM OPERATIONS

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

| | GROUP | | COMPANY | |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Royalties | 2,635 | 1,828 | – | – |
| Auditors' remuneration: | | | | |
| - statutory audit | 470 | 326 | 40 | 40 |
| - fees for other services | 319 | 622 | 319 | 622 |
| - fees for tax advisory and compliance work | 157 | 135 | 19 | 26 |
| Prepaid expenditure written off | 284 | 284 | – | – |
| Amortisation of transaction fees - UREB | 262 | – | 262 | – |
| Rental income from equipment | (7,190) | (4,762) | – | – |
| Rental income from premises | (656) | (1,039) | – | – |
| (Reversal of)/allowance for diminution in value of quoted investments | (204) | 101 | – | – |
| Gross dividends from: | | | | |
| - Quoted shares in Malaysia | (2) | (2) | – | – |
| - Property and unit trusts | (133) | (119) | – | – |
| Net exchange (gain)/loss: | | | | |
| - Realised | (622) | (90) | 10 | (5) |
| - Unrealised | (463) | – | (106) | – |
| Gain on disposal of property, plant and equipment | (413) | (185) | – | – |

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM912,439 (2005: RM521,397).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM167,440 (2005: RM96,658).

6 DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by Directors of the Group and of the Company during the financial year is as follows:

| | GROUP | | COMPANY | |
|----------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Non-executive Directors: | | | | |
| - Fees | 374 | 360 | 194 | 206 |
| - Allowance | 219 | 403 | 120 | 248 |
| - Defined contribution retirement plan | 40 | 87 | 20 | 57 |
| - Bonus | 60 | 68 | 45 | 68 |
| Executive Directors: | | | | |
| - Basic salaries and bonus | 1,928 | 655 | 550 | 655 |
| - Allowance | 484 | 126 | 132 | 126 |
| - Defined contribution retirement plan | 396 | 139 | 136 | 139 |
| | 3,501 | 1,838 | 1,197 | 1,499 |
| Estimated monetary value of benefits-in-kind | 169 | 123 | 41 | 58 |

Executive Directors of the Company have been granted options under the Employee Share Option Scheme ("ESOS") on the same terms and conditions as those offered to other employees of the Group (see Note 10) as follows:

| GRANT DATE | EXPIRY DATE | NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH | | | | |
|----------------------------------------------|-----------------|-------------------------------------------------------|--------------------------------------------|--------------|----------------|--------------------------|
| | | EXERCISE PRICE RM/SHARE | AT 1 JANUARY 2006/DATE OF APPOINTMENT '000 | GRANTED '000 | EXERCISED '000 | AT 31 DECEMBER 2006 '000 |
| Financial year ended 31 December 2006 | | | | | | |
| 11 January 2005 | 10 January 2010 | 1.55 | 1,500 | – | – | 1,500 |
| 14 December 2005 | 10 January 2010 | 1.46 | 2,250 | – | (1,000) | 1,250 |
| | | | 3,750 | – | (1,000) | 2,750 |

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6 DIRECTORS' REMUNERATION (CONTINUED)

| GRANT DATE | EXPIRY DATE | NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH | | | | | AT 31 DECEMBER 2005 '000 |
|------------------------------------------------------|--------------------|-------------------------------------------------------|--------------------------------------------------------------|-----------------|-------------------|-------|-----------------------------------|
| | | EXERCISE PRICE RM/ SHARE | AT 11 JANUARY 2005 (EFFECTIVE DATE OF ESOS) '000 | GRANTED '000 | EXERCISED '000 | | |
| Financial year ended 31 December 2005 | | | | | | | |
| 11 January 2005 | 10 January 2010 | 1.55 | – | 600 | – | 600 | |
| 14 December 2005 | 10 January 2010 | 1.46 | – | 900 | – | 900 | |
| | | | – | 1,500 | – | 1,500 | |
| | | | | | | | 2006 '000 |
| | | | | | | | 2005 '000 |
| Number of share options vested at balance sheet date | | | | | | 2,750 | 1,500 |

7 TAXATION

| | GROUP | | COMPANY | |
|--------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Current tax: | | | | |
| - Malaysian tax | 22,691 | 8,043 | 1,992 | 22,614 |
| - Foreign tax | 484 | – | – | – |
| Deferred tax (Note 23) | (518) | 1,480 | – | – |
| | 22,657 | 9,523 | 1,992 | 22,614 |
| Current tax: | | | | |
| - current financial year | 31,146 | 20,821 | 1,992 | 22,614 |
| - over-accruals in prior financial years | (7,971) | (12,778) | – | – |
| Deferred tax: | | | | |
| - origination and reversal of temporary differences | (371) | 1,480 | – | – |
| - change in tax rate | (147) | – | – | – |
| | 22,657 | 9,523 | 1,992 | 22,614 |

7 TAXATION (CONTINUED)

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

| | GROUP | | COMPANY | |
|------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Profit before taxation | 105,651 | 64,317 | 5,915 | 76,384 |
| Tax calculated at the Malaysian tax rate of 28% (2005: 28%) | 29,582 | 18,009 | 1,656 | 21,387 |
| Tax effects of: | | | | |
| - expenses not deductible for tax purposes | 7,076 | 6,098 | 336 | 1,783 |
| - income not subject to tax | - | (2,755) | - | (556) |
| - temporary differences and unutilised tax losses not recognised | 7,300 | 4,557 | - | - |
| - utilisation of previously unrecognised temporary differences and unutilised tax losses | (10,201) | (2,105) | - | - |
| - share of results of an associate | (2,978) | (1,503) | - | - |
| - over-accruals in prior financial years | (7,971) | (12,778) | - | - |
| - others | (151) | - | - | - |
| Taxation | 22,657 | 9,523 | 1,992 | 22,614 |

Included in income tax expense of the Group are tax savings amounting to RM107,666 (2005: RM Nil) from utilisation of current year tax losses.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the Group has been calculated based on the net profit attributable to ordinary equity holders of the Company for the financial year of RM80,282,000 (2005: RM56,245,000) and on the weighted average number of ordinary shares in issue during the financial year, adjusted to include the potential ordinary shares that would be issued upon conversion of a mandatorily convertible instrument, ICULS, from the date the contract is entered into, amounting to 709,261,000 (Restated 2005 : 660,766,000).

| | GROUP | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| | 2006 | 2005 |
| Net profit attributable to ordinary equity holders of the Company (RM'000) | 80,282 | 56,245 |
| Weighted average number of ordinary shares in issue adjusted with the potential ordinary shares of the mandatorily convertible instruments, ICULS ('000) | 709,261 | 660,766 |
| Basic earnings per share (sen) | 11.32 | 8.51 |

The comparative basic earnings per share information has been restated to take into account the effect of inclusion of the mandatorily convertible instrument arising from the change in accounting policy as set out in Note 41(g) to the financial statements.

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8 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares, Warrants and ESOS.

In the diluted earnings per share calculation in respect of Warrants, a calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding Warrants. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit attributable to ordinary equity holders of the Company for the Warrants calculation.

In respect of share options granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the annual average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options calculation.

| | GROUP | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Net profit attributable to ordinary equity holders of the Company | 80,282 | 56,245 |
| Weighted average number of ordinary shares in issue, adjusted with the potential ordinary shares of the mandatorily convertible instruments, ICULS, ('000) | 709,261 | 660,766 |
| Adjustments for: | | |
| - exercise of Warrants ('000) | 28,813 | 36,724 |
| - exercise of ESOS ('000) | 8,646 | 1,073 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 746,720 | 698,563 |
| Diluted earnings per share (sen) | 10.75 | 8.05 |

The comparative diluted earnings per share information has been restated to take into account the effect of inclusion of the mandatorily convertible instrument arising from the change in accounting policy as set out Note 41(g) to the financial statements.

9 DIVIDENDS

Dividends declared or proposed for the financial year ended 31 December 2006 are as follows:

| | 2006 | | 2005 | |
|--------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|---------------------------------------|-----------------------------------------------------------|
| | GROSS DIVIDEND PER SHARE SEN | AMOUNT OF DIVIDENDS, NET OF TAX OF 28% RM'000 | GROSS DIVIDEND PER SHARE SEN | AMOUNT OF DIVIDENDS, NET OF TAX OF 28% RM'000 |
| Final dividend for the financial year ended 31 December 2005, paid on 18 August 2006 | 2.0 | 10,651 | – | – |

At the forthcoming Annual General Meeting on 18 May 2007, final gross dividends in respect of the financial year ended 31 December 2006 of 3.5 sen per share (2005: 2.0 sen per share), less income tax of 27% (2005: 28%), amounting to RM19,516,428 (2005: RM8,641,571) will be proposed for shareholders' approval.

10 SHARE CAPITAL

| | NOTE | GROUP AND COMPANY | |
|----------------------------------|------|-------------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 |
| Ordinary shares of RM1.00 each: | | | |
| Authorised | | | |
| At 1 January/At 31 December | | 2,000,000 | 2,000,000 |
| Issued and fully-paid | | | |
| At 1 January | | 600,109 | 540,658 |
| Issuance of shares arising from: | | | |
| - conversion of ICULS | (a) | 52,424 | 58,295 |
| - exercise of Warrants | (b) | 90,144 | 1,012 |
| - exercise of ESOS | (c) | 21,175 | 144 |
| At 31 December | | 763,852 | 600,109 |

During the financial year, the Company increased its issued and paid-up share capital from RM600,109,077 to RM763,852,370 by way of:

- Issuance of 52,424,022 (2005: 58,295,073) ordinary shares of RM1.00 each through the conversion of 78,636,043 ICULS of RM1.00 each on the basis of two new ordinary shares for every three ICULS exercised. The premium arising from the ICULS conversion of RM26,212,021 has been credited to the Share Premium account.
- The issuance of 90,143,871 (2005: 1,012,000) 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. The premium arising from the exercise of Warrants of RM18,028,774 including the transfer of proceeds from issuance of Warrants of RM9,014,387 from warrants reserve, has been credited to the Share Premium account.
- The issuance of 21,175,400 (2005: 144,000) ordinary shares of RM1.00 each pursuant to the exercise of ESOS at an exercise price of RM1.46 and RM1.55 per option. The premium arising from the exercise of ESOS of RM10,308,978 has been credited to the Share Premium account.

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10 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (“ESOS”)

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

The main features of the ESOS are:

- (i) The total number of ordinary shares to be issued by the Company under the ESOS as approved by the Securities Commission shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (ii) The options granted may be exercised at any time within the option period.
- (iii) The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is higher.
- (iv) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (v) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

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

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE RM/ SHARE | AT 1 JANUARY '000 | NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH | | | |
|----------------------------------------------|-----------------|--------------------------|-------------------|-------------------------------------------------------|----------------|-------------|---------------------|
| | | | | GRANTED '000 | EXERCISED '000 | LAPSED '000 | AT 31 DECEMBER '000 |
| Financial year ended 31 December 2006 | | | | | | | |
| 11 January 2005 | 10 January 2010 | 1.55 | 21,942 | – | (6,137) | (199) | 15,606 |
| 14 December 2005 | 10 January 2010 | 1.46 | 23,238 | – | (15,038) | (234) | 7,966 |
| | | | 45,180 | – | (21,175) | (433) | 23,572 |

10 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (“ESOS”) (continued)

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE RM/SHARE | AT 1 JANUARY '000 | NUMBER OF OPTIONS OVER ORDINARY SHARES OF RM1.00 EACH | | | | AT 31 DECEMBER '000 |
|------------------------------------------------------|-----------------|-------------------------|-------------------|-------------------------------------------------------|----------------|-------------|-----------|---------------------|
| | | | | GRANTED '000 | EXERCISED '000 | LAPSED '000 | | |
| Financial year ended 31 December 2005 | | | | | | | | |
| 11 January 2005 | 10 January 2010 | 1.55 | – | 22,415 | (144) | (329) | 21,942 | |
| 14 December 2005 | 10 January 2010 | 1.46 | – | 23,238 | – | – | 23,238 | |
| | | | – | 45,653 | (144) | (329) | 45,180 | |
| | | | | | | 2006 '000 | 2005 '000 | |
| Number of share options vested at balance sheet date | | | | | | 23,572 | 45,180 | |

Details relating to options exercised during the financial year are as follows:

| EXERCISE DATE | QUOTED PRICE OF SHARES AT SHARE ISSUE DATE RM/SHARE | EXERCISE PRICE RM/SHARE | NUMBER OF SHARES ISSUED | |
|--------------------------------|-----------------------------------------------------|-------------------------|-------------------------|-----------|
| | | | 2006 '000 | 2005 '000 |
| August 2005 to December 2005 | 1.74 | 1.55 | – | 144 |
| January 2006 to April 2006 | 1.82 - 1.96 | 1.46/1.55 | 664 | – |
| May 2006 to August 2006 | 1.62 - 1.76 | 1.46/1.55 | 372 | – |
| September 2006 to October 2006 | 1.80 - 1.99 | 1.46/1.55 | 611 | – |
| November 2006 to December 2006 | 2.21 - 2.68 | 1.46/1.55 | 19,528 | – |
| | | | 21,175 | 144 |

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10 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (“ESOS”) (continued)

| | 2006 RM'000 | 2005 RM'000 |
|--------------------------------------------------|----------------|----------------|
| Ordinary share capital at par | 21,175 | 144 |
| Share premium | 10,309 | 79 |
| Proceeds received from exercise of share options | 31,484 | 223 |
| Fair value at exercise date of shares issued | 49,806 | 239 |

There were no new share options granted during the financial year.

The share options previously granted had vested at the effective date of FRS 2 “Share-based Payment”. Accordingly, there is no impact on the prior and current years’ financial statements of the Group and the Company in relation to share options previously granted.

Subsequent to the financial year end, on 28 February 2007, the Directors have approved the offer of 4,747,200 share options to eligible employees of the Group at an exercise price of RM2.23 per option which expire on 10 January 2010.

11 SHARE PREMIUM

| | NOTE | GROUP AND COMPANY | |
|------------------------|--------|-------------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 |
| At 1 January | | 57,127 | 27,698 |
| Arising from: | | | |
| - conversion of ICULS | 10 (a) | 26,212 | 29,148 |
| - exercise of Warrants | 10 (b) | 18,029 | 202 |
| - exercise of ESOS | 10 (c) | 10,309 | 79 |
| At 31 December | | 111,677 | 57,127 |

12 OTHER RESERVES

| | REVALUATION RESERVE RM'000 | EXCHANGE FLUCTUATION RESERVE RM'000 | MERGER RESERVE (NOTE 13) RM'000 | WARRANTS RESERVE RM'000 | TOTAL RM'000 |
|---------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|-------------------------------|-----------------|
| Group: | | | | | |
| 2006: | | | | | |
| At 1 January 2006 | 1,809 | (1,117) | 26,337 | 11,399 | 38,428 |
| Exercise of Warrants during the financial year | - | - | - | (9,014) | (9,014) |
| Currency translation differences | - | (1,249) | - | - | (1,249) |
| At 31 December 2006 | 1,809 | (2,366) | 26,337 | 2,385 | 28,165 |

12 OTHER RESERVES (CONTINUED)

| | REVALUATION RESERVE RM'000 | EXCHANGE FLUCTUATION RESERVE RM'000 | MERGER RESERVE (NOTE 13) RM'000 | WARRANTS RESERVE RM'000 | TOTAL RM'000 |
|---------------------------------------------------|----------------------------------|----------------------------------------------|------------------------------------------|------------------------------------------|-----------------|
| Group: | | | | | |
| 2005: | | | | | |
| At 1 January 2005 | 1,809 | (1,117) | 26,337 | 11,500 | 38,529 |
| Exercise of Warrants during the financial year | - | - | - | (101) | (101) |
| At 31 December 2005 | 1,809 | (1,117) | 26,337 | 11,399 | 38,428 |
| | | | | WARRANTS RESERVE/TOTAL 2006 RM'000 | 2005 RM'000 |
| Company: | | | | | |
| At 1 January | | | | 11,399 | 11,500 |
| Exercise of Warrants during the financial year | | | | (9,014) | (101) |
| At 31 December | | | | 2,385 | 11,399 |

13 MERGER RESERVE

The merger reserve represents the difference between the nominal value of shares issued as consideration for the acquisition on 28 May 2003 of a subsidiary, Sistem Televisyen Malaysia Berhad ("STMB"), which met the criteria for the use of the merger method of accounting under the provisions of FRS 122 "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

| | GROUP | |
|-------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Nominal value of shares issued | (263,375) | (263,375) |
| Less: | | |
| Nominal value of shares in the subsidiary | 289,712 | 289,712 |
| Merger reserve | 26,337 | 26,337 |

14 RETAINED EARNINGS

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of all (2005: All) its retained earnings as at 31 December 2006 without incurring any additional tax liabilities.

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15 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

The Company issued 180,000,000 2% five (5) years ICULS on 18 July 2003 at a nominal value of RM1.00 each for cash to finance the acquisition of The New Straits Times Press (Malaysia) Berhad ("NSTP"), which was constituted by a Trust Deed dated 10 July 2003.

The principal terms of the ICULS are as follows:

- (a) The face value of the ICULS is RM180 million;
- (b) The ICULS bear interest of 2% per annum payable semi-annually in arrears, except for the first payment which was made on 31 December 2003 and the last payment which is due on the maturity date, 18 July 2008. Interest is calculated on the basis of the actual number of days elapsed;
- (c) The tenure of the ICULS is five (5) years from the date of issue;
- (d) The ICULS are convertible at any time on and after 18 July 2005 into new ordinary shares in the Company at the conversion ratio at RM3.00 nominal value of ICULS to two (2) ordinary shares of RM1.00 each;
- (e) The new ordinary shares allotted and issued upon conversion of the ICULS will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company; and
- (f) The ICULS are listed on Bursa Malaysia.

During the financial year, 78,636,043 (2005: 87,442,624) ICULS were converted into ordinary shares in the Company, as disclosed in Note 10 (a) to the financial statements. As at 31 December 2006, outstanding ICULS totalling RM13,921,333 (2005: RM92,557,376) have not been converted.

16 REDEEMABLE UNSECURED LOAN STOCKS ("RULS")

On 31 July 2003, pursuant to the Debt Settlement Agreement under the corporate proposals undertaken by the Group, as part settlement of the debts owing to the Scheme Creditors, a subsidiary, STMB issued RULS amounting to RM88,634,223.

The principal terms of the RULS are as follows:

- (a) 88,634,223 units of 4.50% five (5) year RULS in STMB issued at 100% nominal amount of RM1.00 each;
- (b) The RULS bear interest of 4.50% per annum payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the RULS;
- (c) The tenure of the RULS is 5 years from the date of issue;
- (d) The RULS are repayable at 30%, 35% and 35% of the nominal value at the end of the third, fourth and fifth anniversary respectively of the date of issue of the RULS; and
- (e) The maturity date is the date preceding the fifth anniversary of the date of issue of the RULS.

During the financial year, RM26,590,000 of RULS had been settled.

17 COMMERCIAL PAPERS/MEDIUM TERM NOTES (“CP/MTN”)

On 30 September 2004, the Company issued Commercial Papers (“CP”) and Medium Term Notes (“MTN”) of RM30 million and RM70 million respectively. The CP/MTN was constituted by a Trust Deed dated 21 September 2004.

The principal terms of the CP/MTN are as follows:

- (a) The face value of the CP is RM30 million and the MTN is RM70 million;
- (b) The CP are issued at a discount to face value ranging from 2.80% to 3.00% per annum and shall be repayable at par;
- (c) The interest on the MTNs of RM30 million and RM40 million are 6.75% and 7.10% per annum respectively, payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the MTNs;
- (d) The tenure of the CP/MTN is 5 years from the date of issue; and
- (e) The maturity date of the CP is between one (1) to twelve (12) months and the MTN is between twelve (12) to sixty (60) months.

The CP/MTN are secured by the Company’s entire shareholdings in STMB and a debt service reserve account of RM7,000,000 (2005: RM2,909,655) (See Note 36(b)).

During the financial year, the Company has fully repaid the CP of RM30 million.

18 WARRANTS

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

The principal terms of the Warrants are as follows:

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

During the financial year, 90,143,871 (2005: 1,012,000) Warrants were exercised, as disclosed in Note 10 (b) to the financial statements. As at 31 December 2006, outstanding Warrants totalling RM2,384,413 (2005: RM11,398,800) have not been exercised.

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19 UNSECURED REDEEMABLE EXCHANGEABLE BONDS ("UREB")

| | GROUP AND COMPANY | |
|------------------------------------------------------|-------------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| 5-year 6.35% Unsecured Redeemable Exchangeable Bonds | 85,000 | 85,000 |
| Less: Transaction costs | (1,500) | (1,500) |
| | 83,500 | 83,500 |
| Add: Amortisation of transaction costs | 262 | – |
| | 83,762 | 83,500 |

On 8 December 2005, the Company issued RM85,000,000 nominal value 5-year 6.35% unsecured redeemable exchangeable bonds for cash for the Group's working capital purposes. The UREB was constituted by a Trust Deed dated 25 November 2005.

The principal terms of the UREB are as follows:

- (a) The face value of the UREB is RM85 million;
- (b) The coupon on the UREB will accrue at 6.35% per annum based on the face value and shall be payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year;
- (c) The tenure of the UREB is five (5) years from the date of issue;
- (d) The Company may at any time after the third anniversary of the date of issue, redeem the UREB in whole but not in part at a redemption amount of 101% of its nominal value, plus any accrued and unpaid interest to the date of redemption;
- (e) The UREB are exchangeable into The New Straits Times Press (Malaysia) Berhad ("NSTP") shares held by the Company, at the election of the bondholders (but subject to the cash settlement option at the election of the Company) at anytime during the Exchange Period, where the Exchange Rights may be exercised by the UREB holders at any time from 30 days after the issuance of the UREB and will end 7 market days prior to the maturity date of the UREB. If the UREB shall have been called for early redemption, the Exchange Period will end 7 market days prior to the early redemption date. The UREB may only be exchanged in a minimum amount of RM250,000 nominal value at the Exchange Price fixed at RM3.78 per NSTP share, being a price set at a premium over the prevailing volume weighted average price ("VWAP") of NSTP shares immediately prior to the price-fixing date; and
- (f) In the event the UREB holders exercise the Exchange Rights, the Company has the right to provide the UREB holders payment in cash (in whole or in part) in lieu of NSTP shares calculated based on the average of the VWAP of the NSTP shares for 5 market days immediately after, but excluding the date of issuance of the cash settlement notice by the Company.

The UREB contain covenants which require the Company to limit debt to equity ratio.

As at 31 December 2006, 22,486,773 (2005: 22,486,773) NSTP shares have been placed with the Shares Trustee pursuant to the terms of the Trust Deed.

20 INTEREST BEARING BANK BORROWINGS

| | NOTE | GROUP | | COMPANY | |
|------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Current: | | | | | |
| Term loans (unsecured) | (a) | 48,490 | – | 48,490 | – |
| Term loans (secured) | (a) | 333 | 19,296 | – | – |
| Bank overdrafts (unsecured) (Note 36) | | 783 | – | – | – |
| | | 49,606 | 19,296 | 48,490 | – |
| Non-current: | | | | | |
| Term loans (secured) | (a) | 70,000 | 70,734 | – | – |
| | | 119,606 | 90,030 | 48,490 | – |

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

| | GROUP | | COMPANY | |
|------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Ringgit Malaysia | 119,273 | 89,296 | 48,490 | – |
| Cedi | 333 | 734 | – | – |
| | 119,606 | 90,030 | 48,490 | – |

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

| | GROUP | | COMPANY | |
|------------------------------|-----------|-----------|-----------|-----------|
| | 2006 % | 2005 % | 2006 % | 2005 % |
| For the financial year | | | | |
| Term loans | 5.57 | 6.88 | 1.77 | * |
| Bank overdrafts | 8.00 | 8.00 | * | * |
| As at the financial year end | | | | |
| Term loans | 7.43 | 7.95 | 6.08 | * |
| Bank overdrafts | 8.00 | * | * | * |

* Not applicable

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20 INTEREST BEARING BANK BORROWINGS (CONTINUED)

(a) Term loans

The term loans are repayable as follows:

| | GROUP | | COMPANY | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Unsecured | | | | |
| Current: | | | | |
| Repayable within 12 months | 48,490 | – | 48,490 | – |
| Secured: | | | | |
| Current: | | | | |
| Repayable within 12 months | 333 | 19,296 | – | – |
| Non-current: | | | | |
| Repayable after 12 months: | | | | |
| - between 2 and 5 years | 56,000 | 42,734 | – | – |
| - after 5 years | 14,000 | 28,000 | – | – |
| | 70,333 | 90,030 | – | – |
| | 118,823 | 90,030 | 48,490 | – |

The term loans as at the financial year end are secured over the property, plant and equipment of a subsidiary that carry a net book value of RM29.4 million (2005: RM37.5 million) (Note 24). The unsecured current term loans contain covenants which require the Company to limit gearing ratios.

21 HIRE-PURCHASE AND LEASE CREDITORS

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

| | GROUP | |
|----------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Finance lease liabilities: | | |
| Minimum lease payments: | | |
| - not later than 1 year | 3,114 | 361 |
| - later than 1 year and not later than 5 years | 11,349 | 316 |
| - later than 5 years | – | 90 |
| | 14,463 | 767 |
| Future finance charges on finance leases | (2,404) | (123) |
| Present value of finance lease liabilities | 12,059 | 644 |
| Present value of finance lease liabilities: | | |
| - not later than 1 year | 2,925 | 307 |
| - later than 1 year and not later than 5 years | 9,134 | 235 |
| - later than 5 years | – | 102 |
| | 12,059 | 644 |

21 HIRE-PURCHASE AND LEASE CREDITORS (CONTINUED)

| | GROUP | |
|-----------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Analysed as: | | |
| Due within 1 year (Note 22) | 2,925 | 307 |
| Due after 1 year | 9,134 | 337 |
| | 12,059 | 644 |

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default. The finance lease liabilities contain covenants which require a subsidiary to maintain minimum debt service ratio.

As at 31 December 2006, the weighted average effective interest rate applicable to the lease liabilities is 5.32% (2005: 6.86%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

22 TRADE AND OTHER PAYABLES

| | GROUP | | COMPANY | |
|---------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Non-current: | | | | |
| Trade payables | 4,524 | 10,482 | – | – |
| Programme rights payables | 3,743 | 7,835 | – | – |
| | 8,267 | 18,317 | – | – |
| Other payables | 10,465 | 33,746 | 8,507 | 30,000 |
| | 18,732 | 52,063 | 8,507 | 30,000 |
| Current: | | | | |
| Trade payables | 26,333 | 48,178 | – | – |
| Programme rights payables | 22,772 | 26,390 | 2,519 | 1,297 |
| | 49,105 | 74,568 | 2,519 | 1,297 |
| Trade accruals | 13,344 | 22,680 | – | – |
| Other accruals | 106,869 | 97,835 | 2,248 | 1,828 |
| Other payables | 51,216 | 67,889 | 25,160 | 38,837 |
| Hire-purchase and lease creditors (Note 21) | 2,925 | 307 | – | – |
| | 223,459 | 263,279 | 29,927 | 41,962 |

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

| | | | | |
|------------------|---------------|---------------|--------------|--------------|
| Ringgit Malaysia | 50,890 | 77,239 | 554 | 1,074 |
| US Dollar | 6,482 | 15,646 | 1,965 | 223 |
| | 57,372 | 92,885 | 2,519 | 1,297 |

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22 TRADE AND OTHER PAYABLES (CONTINUED)

Credit terms of trade payables ranging from 45 days to 90 days (2005: 45 days to 90 days).

The non-current payables represent the outstanding balance of a subsidiary acquired in the previous year amounting to RM10,224,345 (2005: RM22,062,774) owing to unsecured scheme creditors pursuant to a debt restructuring scheme. The outstanding balance is payable semi-annually over a period of three years and bears interest of 4.00% (2005 : 4.00%) per annum on a reducing balance basis.

Included in other payables of the Group and of the Company is outstanding purchase consideration for the acquisition of subsidiaries in the previous financial year of RM21,493,342 and RM8,506,659 respectively (2005: RM35,000,000 and RM30,000,000) payable within a year and between one and two years.

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

| | GROUP | |
|--------------------------------------|--------|--------|
| | 2006 | 2005 |
| | RM'000 | RM'000 |
| Deferred tax assets | | |
| - Subject to income tax | 2,938 | 2,420 |
| Deferred tax liabilities | | |
| - Subject to real property gains tax | (704) | (704) |

The movement in deferred tax assets and liabilities of the Group during the financial year is as follows:

| | GROUP | |
|-------------------------------------------------|--------------|--------------|
| | 2006 | 2005 |
| | RM'000 | RM'000 |
| At 1 January | 1,716 | 3,196 |
| Credited/(charged) to income statement (Note 7) | | |
| - Property, plant and equipment | (3,639) | (806) |
| - Intangible assets | 1,411 | (428) |
| - Allowances and provisions | (37) | (246) |
| - Unutilised capital allowances | 2,783 | - |
| | 518 | (1,480) |
| At 31 December | 2,234 | 1,716 |

23 DEFERRED TAXATION (CONTINUED)

Subject to income tax:

| | GROUP | |
|-----------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Deferred tax assets (before offsetting) | | |
| - Intangible assets | 3,704 | 2,293 |
| - Allowances and provisions | 119 | 156 |
| - Unutilised capital allowances | 2,783 | – |
| | 6,606 | 2,449 |
| Offsetting | (3,668) | (29) |
| Deferred tax assets (after offsetting) | 2,938 | 2,420 |
| Deferred tax liabilities (before offsetting) | | |
| - Property, plant and equipment | (3,668) | (29) |
| Offsetting | 3,668 | 29 |
| Deferred tax liabilities (after offsetting) | – | – |

Subject to real property gains tax:

Deferred tax liabilities

| | | |
|-------------------------------------|-------|-------|
| - Revaluation of land and buildings | (704) | (704) |
|-------------------------------------|-------|-------|

The amount of deductible temporary differences, unused tax losses, and unutilised capital allowances (all of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet is as follows:

| | GROUP | |
|-------------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Unused tax losses | 236,447 | 195,909 |
| Deductible temporary differences | 80,094 | 108,478 |
| | 316,541 | 304,387 |
| Deferred tax assets not recognised at 26% (2005: 28%) | 82,301 | 85,228 |

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24 PROPERTY, PLANT AND EQUIPMENT

| | FREEHOLD LAND AT COST RM'000 | LONG TERM LEASEHOLD LAND AT VALUATION RM'000 | LONG TERM LEASEHOLD LAND AT COST RM'000 | BUILDING AT VALUATION RM'000 | BUILDING AT COST RM'000 | PLANT AND MACHINERY AT COST RM'000 |
|------------------------------------------------------|---------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|---------------------------------------|-------------------------------|---------------------------------------------|
| Group | | | | | | |
| 2006 | | | | | | |
| Cost/Valuation | | | | | | |
| At 1.1.2006 | 10,368 | 316 | 38 | 5,859 | 41,629 | 839 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Write off | - | - | - | - | - | - |
| Reclassifications | (122) | 122 | - | - | - | - |
| Currency translation differences | - | (17) | (2) | (108) | (78) | (44) |
| At 31.12.2006 | 10,246 | 421 | 36 | 5,751 | 41,551 | 795 |
| Accumulated depreciation | | | | | | |
| At 1.1.2006 | - | 53 | 5 | 1,670 | 9,133 | 839 |
| Depreciation charge for the financial year | - | 6 | - | 117 | 790 | - |
| Disposals | - | - | - | - | - | - |
| Write off | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - |
| Reclassified from investment properties (Note 25) | - | 10 | - | - | - | - |
| Currency translation differences | - | (3) | - | (88) | (60) | (44) |
| At 31.12.2006 | - | 66 | 5 | 1,699 | 9,863 | 795 |
| Accumulated impairment losses | | | | | | |
| At 1.1.2006 | 3,265 | - | - | - | 5,618 | - |
| Currency translation differences | - | - | - | - | - | - |
| At 31.12.2006 | 3,265 | - | - | - | 5,618 | - |
| Net book value | | | | | | |
| At 31.12.2006 | 6,981 | 355 | 31 | 4,052 | 26,070 | - |

| BROAD-CASTING AND TRANSMISSION EQUIPMENT AT COST RM'000 | PRODUCTION EQUIPMENT AT COST RM'000 | OFFICE EQUIPMENT, FURNITURE AND FITTINGS AT COST RM'000 | OFFICE RENOVATIONS AT COST RM'000 | MOTOR VEHICLES AT COST RM'000 | LEASEHOLD IMPROVEMENTS AT COST RM'000 | ASSETS UNDER CONSTRUCTION AT COST RM'000 | TOTAL RM'000 |
|---------------------------------------------------------|-------------------------------------|---------------------------------------------------------|-----------------------------------|-------------------------------|---------------------------------------|------------------------------------------|--------------|
| 460,921 | 14,508 | 62,499 | 14,061 | 12,257 | 29,067 | 157 | 652,519 |
| 31,244 | 129 | 7,041 | 2,102 | 1,598 | - | 192 | 42,306 |
| (918) | - | (41) | - | (2,327) | - | - | (3,286) |
| - | - | - | (1) | - | - | - | (1) |
| 13,874 | (13,874) | - | - | - | - | - | - |
| (1,573) | - | (173) | - | (21) | - | - | (2,016) |
| 503,548 | 763 | 69,326 | 16,162 | 11,507 | 29,067 | 349 | 689,522 |
| 330,165 | 10,674 | 46,651 | 13,151 | 7,729 | 20,962 | - | 441,032 |
| 18,098 | 37 | 4,243 | 627 | 1,283 | 1,821 | - | 27,022 |
| (906) | - | (5) | - | (2,327) | - | - | (3,238) |
| - | - | - | (1) | - | - | - | (1) |
| 10,132 | (10,132) | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 10 |
| (411) | - | (51) | - | (16) | - | - | (673) |
| 357,078 | 579 | 50,838 | 13,777 | 6,669 | 22,783 | - | 464,152 |
| 36,773 | - | 4,097 | - | 910 | - | - | 50,663 |
| (366) | - | (122) | - | - | - | - | (488) |
| 36,407 | - | 3,975 | - | 910 | - | - | 50,175 |
| 110,063 | 184 | 14,513 | 2,385 | 3,928 | 6,284 | 349 | 175,195 |

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24 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | FREEHOLD LAND AT COST RM'000 | LONG TERM LEASEHOLD LAND AT VALUATION RM'000 | LONG TERM LEASEHOLD LAND AT COST RM'000 | BUILDING AT VALUATION RM'000 | BUILDING AT COST RM'000 | PLANT AND MACHINERY AT COST RM'000 | CINEMA AT COST RM'000 |
|-----------------------------------------------|---------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|---------------------------------------|-------------------------------|---------------------------------------------|-----------------------------|
| Group 2005 | | | | | | | |
| Cost/Valuation | | | | | | | |
| At 1.1.2005 | 1,340 | 316 | 28,611 | 5,859 | 97,119 | 839 | 2,382 |
| Reclassified to investment properties | (1,037) | – | (28,573) | – | (92,784) | – | (2,382) |
| Additions | – | – | – | – | – | – | – |
| Disposals | – | – | – | – | – | – | – |
| Write off | – | – | – | – | – | – | – |
| Acquisition of subsidiaries (Note 37) | 10,065 | – | – | – | 37,294 | – | – |
| At 31.12.2005 | 10,368 | 316 | 38 | 5,859 | 41,629 | 839 | – |
| Accumulated depreciation | | | | | | | |
| At 1.1.2005 | – | 47 | 2,679 | 1,465 | 11,234 | 839 | 462 |
| Reclassified to investment properties | – | – | (2,674) | – | (10,487) | – | (462) |
| Depreciation charge for the financial year | – | 6 | – | 205 | – | – | – |
| Disposals | – | – | – | – | – | – | – |
| Write off | – | – | – | – | – | – | – |
| Acquisition of subsidiaries (Note 37) | – | – | – | – | 8,386 | – | – |
| At 31.12.2005 | – | 53 | 5 | 1,670 | 9,133 | 839 | – |
| Accumulated impairment losses | | | | | | | |
| At 1.1.2005 | 482 | – | 7,308 | – | 23,902 | – | – |
| Reclassified to investment properties | (482) | – | (7,308) | – | (23,902) | – | – |
| Acquisition of subsidiaries (Note 37) | 3,265 | – | – | – | 5,618 | – | – |
| At 31.12.2005 | 3,265 | – | – | – | 5,618 | – | – |
| Net book value | | | | | | | |
| At 31.12.2005 | 7,103 | 263 | 33 | 4,189 | 26,878 | – | – |

| BROAD-CASTING AND TRANSMISSION EQUIPMENT AT COST RM'000 | PRODUCTION EQUIPMENT AT COST RM'000 | OFFICE EQUIPMENT, FURNITURE AND FITTINGS AT COST RM'000 | OFFICE RENOVATIONS AT COST RM'000 | MOTOR VEHICLES AT COST RM'000 | LEASEHOLD IMPROVEMENTS AT COST RM'000 | ASSETS UNDER CONSTRUCTION AT COST RM'000 | TOTAL RM'000 |
|---------------------------------------------------------|-------------------------------------|---------------------------------------------------------|-----------------------------------|-------------------------------|---------------------------------------|------------------------------------------|--------------|
| 301,792 | 623 | 45,642 | 1,751 | 6,771 | 28,558 | 157 | 521,760 |
| - | - | - | - | - | - | - | (124,776) |
| 29,804 | 1,775 | 5,009 | 184 | 3,378 | 509 | - | 40,659 |
| (266) | - | (281) | - | (536) | - | - | (1,083) |
| - | - | (147) | (1,011) | - | - | - | (1,158) |
| 129,591 | 12,110 | 12,276 | 13,137 | 2,644 | - | - | 217,117 |
| 460,921 | 14,508 | 62,499 | 14,061 | 12,257 | 29,067 | 157 | 652,519 |
| 242,787 | 519 | 34,109 | 579 | 5,672 | 19,235 | - | 319,627 |
| - | - | - | - | - | - | - | (13,623) |
| 15,287 | 23 | 4,095 | 232 | 667 | 1,727 | - | 22,242 |
| (217) | - | (85) | - | (345) | - | - | (647) |
| - | - | (100) | (470) | - | - | - | (570) |
| 72,308 | 10,132 | 8,632 | 12,810 | 1,735 | - | - | 114,003 |
| 330,165 | 10,674 | 46,651 | 13,151 | 7,729 | 20,962 | - | 441,032 |
| 6,950 | - | 2,310 | - | - | - | - | 40,952 |
| - | - | - | - | - | - | - | (31,692) |
| 29,823 | - | 1,787 | - | 910 | - | - | 41,403 |
| 36,773 | - | 4,097 | - | 910 | - | - | 50,663 |
| 93,983 | 3,834 | 11,751 | 910 | 3,618 | 8,105 | 157 | 160,824 |

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24 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | COMPANY | |
|---------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Office equipment, furniture & fittings | | |
| Cost | | |
| At 1 January | 11 | 7 |
| Additions | 21 | 4 |
| At 31 December | 32 | 11 |
| Accumulated depreciation | | |
| At 1 January | 4 | 1 |
| Charge for the financial year | 4 | 3 |
| At 31 December | 8 | 4 |
| Net book value | | |
| At 31 December | 24 | 7 |

- (a) Long term leasehold land and buildings of a subsidiary were last revalued by the Directors on 20 September 1996 based on valuations carried out by professional valuers to reflect the market value for existing use. The book values of the leasehold land and buildings were adjusted to the revalued amounts and the resultant surpluses were credited to the revaluation reserve.
- (b) The net book value of revalued long term leasehold land and buildings of the Group that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation, is RM1,805,000 (2005: RM1,895,000).
- (c) The value of property, plant and equipment of the Group includes the following assets acquired under hire-purchase and finance lease agreements:

| GROUP | COST RM'000 | ACCUMULATED DEPRECIATION RM'000 | NET BOOK VALUE RM'000 |
|------------------------------------------------------------|----------------|---------------------------------------|-----------------------------|
| 2006 | | | |
| Broadcasting, transmission and production equipment | 12,400 | 499 | 11,901 |
| Motor vehicles | 532 | 125 | 407 |
| | 12,932 | 624 | 12,308 |
| 2005 | | | |
| Broadcasting, transmission and production equipment | 11,000 | 6,233 | 4,767 |
| Motor vehicles | 380 | 34 | 346 |
| | 11,380 | 6,267 | 5,113 |

24 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) As at 31 December 2006, the net book value of property, plant and equipment of a subsidiary amounting to RM29.4 million (2005: RM37.5 million) has been pledged as security for term loans (Note 20).

25 INVESTMENT PROPERTIES

| GROUP | FREEHOLD LAND RM'000 | LONG TERM LEASEHOLD LAND RM'000 | BUILDINGS RM'000 | CINEMA RM'000 | TOTAL RM'000 |
|---------------------------------------------------------|----------------------------|---------------------------------------------|---------------------|------------------|-----------------|
| 2006 | | | | | |
| Cost | | | | | |
| At 1 January 2006 | 1,037 | 28,573 | 92,784 | 2,382 | 124,776 |
| Additions | - | - | 295 | - | 295 |
| Reclassified to assets held-for-sale (Note 34) | - | (24,201) | (78,144) | - | (102,345) |
| At 31 December 2006 | 1,037 | 4,372 | 14,935 | 2,382 | 22,726 |
| Accumulated depreciation | | | | | |
| At 1 January 2006 | - | 2,899 | 11,843 | 510 | 15,252 |
| Depreciation charge for the financial year | - | 225 | 1,513 | 48 | 1,786 |
| Reclassified to assets held-for-sale (Note 34) | - | (2,689) | (11,618) | - | (14,307) |
| Reclassified to property, plant and equipment (Note 24) | - | (10) | - | - | (10) |
| At 31 December 2006 | - | 425 | 1,738 | 558 | 2,721 |
| Accumulated impairment losses | | | | | |
| At 1 January 2006 | 482 | 7,308 | 23,902 | - | 31,692 |
| Impairment losses for the financial year | - | - | 1,937 | 228 | 2,165 |
| Reclassified to assets held-for-sale (Note 34) | - | (6,585) | (20,852) | - | (27,437) |
| At 31 December 2006 | 482 | 723 | 4,987 | 228 | 6,420 |
| Net book value | | | | | |
| At 31 December 2006 | 555 | 3,224 | 8,210 | 1,596 | 13,585 |

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25 INVESTMENT PROPERTIES (CONTINUED)

| GROUP | FREEHOLD LAND RM'000 | LONG TERM LEASEHOLD LAND RM'000 | BUILDINGS RM'000 | CINEMA RM'000 | TOTAL RM'000 |
|----------------------------------------------------|----------------------------|---------------------------------------------|---------------------|------------------|-----------------|
| 2005 | | | | | |
| Cost | | | | | |
| At 1 January 2005 | – | – | – | – | – |
| Reclassified from property, plant and equipment | 1,037 | 28,573 | 92,784 | 2,382 | 124,776 |
| At 31 December 2005 | 1,037 | 28,573 | 92,784 | 2,382 | 124,776 |
| Accumulated depreciation | | | | | |
| At 1 January 2005 | – | – | – | – | – |
| Reclassified from property, plant and equipment | – | 2,674 | 10,487 | 462 | 13,623 |
| Depreciation charge for the financial year | – | 225 | 1,356 | 48 | 1,629 |
| At 31 December 2005 | – | 2,899 | 11,843 | 510 | 15,252 |
| Accumulated impairment losses | | | | | |
| At 1 January 2005 | – | – | – | – | – |
| Reclassified from property, plant and equipment | 482 | 7,308 | 23,902 | – | 31,692 |
| At 31 December 2005 | 482 | 7,308 | 23,902 | – | 31,692 |
| Net book value | | | | | |
| At 31 December 2005 | 555 | 18,366 | 57,039 | 1,872 | 77,832 |

The above properties are not occupied by the Group and are used to earn rentals or for capital appreciation.

The Group recognised an impairment loss of RM2,165,000 (2005: Nil) during the financial year in respect of buildings, for which the recoverable amount using the selling price based on independent professional valuation reports was lower than the carrying amount.

During the financial year, an investment property has been classified as “property held-for-sale” as it satisfies the criteria set out in FRS 5 (See Notes 34 and 48 (b) (ii) to the financial statements).

The fair value of the properties was estimated at RM16.2 million based on valuations by independent professionally qualified valuers. Valuations were based on current prices in an active market for all properties except for properties in certain locations where this information is not available. For these properties, the fair value was estimated by reference to open market value of properties in the vicinity.

26 SUBSIDIARIES

| | COMPANY | |
|--------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Unquoted shares, at cost | 430,481 | 430,481 |

The details of the subsidiaries are as follows:

| NAME OF COMPANY | COUNTRY OF INCORPORATION | PRINCIPAL ACTIVITIES | INTEREST IN EQUITY | |
|--------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| | | | 2006 % | 2005 % |
| Sistem Televisyen Malaysia Berhad ("STMB") | Malaysia | Commercial television broadcasting | 100 | 100 |
| Ch-9 Media Sdn Bhd | Malaysia | Commercial television broadcasting | 100 | 100 |
| Natseven TV Sdn Bhd ("ntv7") | Malaysia | Commercial television broadcasting | 100 | 100 |
| Synchrosound Studio Sdn Bhd | Malaysia | Radio broadcasting | 100 | 100 |
| Merit Idea Sdn Bhd | Malaysia | Investment holding | 80 | 80 |
| Perintis Layar Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| Grand Brilliance Sdn Bhd ("GBSB") | Malaysia | Production of motion picture films, acquiring ready made films from local producers and production houses and investment holding | 100 | 100 |
| Tiga Events Sdn Bhd | Malaysia | Promotion and marketing of sports events and production of sports events | 100 | 100 |
| Esprit Assets Sdn Bhd | Malaysia | Property investments and provision of property management services | 100 | 100 |
| Animated & Production Techniques Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| Newslink Asia Sdn Bhd | Malaysia | Dormant | 100 | 100 |

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26 SUBSIDIARIES (CONTINUED)

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

| NAME OF COMPANY | COUNTRY OF INCORPORATION | PRINCIPAL ACTIVITIES | INTEREST IN EQUITY | |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| | | | 2006 % | 2005 % |
| Alternate Records Sdn Bhd (formerly known as Ambang Klasik Sdn Bhd) | Malaysia | Dormant | 100 | 100 |
| Amity Valley Sdn Bhd | Malaysia | Investment holding | 100 | 100 |
| Able Communications Sdn Bhd | Malaysia | Dormant | 100 | 100 |
| Encorp Media Technology Sdn Bhd | Malaysia | Selling and marketing of advertising space and e-commerce (temporarily ceased operations in October 2005) | 100 | 100 |
| Held by Merit Idea Sdn Bhd Metropolitan TV Sdn Bhd | Malaysia | Commercial television broadcasting | 99.5 | 99.5 |
| Held by Perintis Layar Sdn Bhd Max-Airplay Sdn Bhd | Malaysia | Radio broadcasting | 75 | 75 |
| Held by Alternate Records Sdn Bhd (formerly known as Ambang Klasik Sdn Bhd) Booty Studio Productions Sdn Bhd | Malaysia | Dormant | 60 | 60 |
| Held by Grand Brilliance Sdn Bhd Cineart Enterprises Sdn Bhd | Malaysia | Dormant | 100 | 100 |

26 SUBSIDIARIES (CONTINUED)

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

| NAME OF COMPANY | COUNTRY OF INCORPORATION | PRINCIPAL ACTIVITIES | INTEREST IN EQUITY | |
|---------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|-----------|
| | | | 2006 % | 2005 % |
| Held by Amity Valley Sdn Bhd | | | | |
| Gama Media International (BVI) Ltd | British Virgin Islands | Investment holding | 100 | 100 |
| Held by Gama Media International (BVI) Ltd | | | | |
| Gama Film Company Limited ^ | Republic of Ghana | Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution | 70 | 70 |
| TV3 Network Limited ^ | Republic of Ghana | Media and communication businesses, managerial services and operation of free-to-air television service | 70 | 70 |
| Cableview Network Limited ^ | Republic of Ghana | Dormant | 70 | 70 |
| Gama Media Systems Limited ^ | Republic of Ghana | Dormant | 70 | 70 |

^ Audited by a firm other than PricewaterhouseCoopers, Malaysia

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27 ASSOCIATES

| | GROUP | | COMPANY | |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Unquoted shares, at cost | 49 | 49 | - | - |
| Share of post acquisition results, net of dividends received | (49) | (49) | - | - |
| | - | - | - | - |
| Quoted shares, at cost | 399,651 | 399,651 | 399,651 | 399,651 |
| Share of post acquisition results, net of dividends received | 14,415 | 7,085 | - | - |
| Goodwill on acquisition written off | (88,763) | (88,763) | - | - |
| | 325,303 | 317,973 | 399,651 | 399,651 |
| Total | 325,303 | 317,973 | 399,651 | 399,651 |
| Market value of quoted shares | 218,162 | 230,387 | 218,162 | 230,387 |

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

| | GROUP | |
|-----------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Revenue | 225,135 | 230,166 |
| Net profit for the financial year | 10,635 | 5,368 |
| Non-current assets | 324,022 | 323,512 |
| Current assets | 127,001 | 122,228 |
| Current liabilities | (125,677) | (127,371) |
| Non-current liabilities | (43) | (396) |
| Share of net assets | 325,303 | 317,973 |

Contingent liabilities relating to associates are shown in Note 43 (c) to the financial statements.

27 ASSOCIATES (CONTINUED)

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

| NAME OF COMPANY | PRINCIPAL ACTIVITIES | INTEREST IN EQUITY | |
|--------------------------------------------------|------------------------------------------------------------|--------------------|-----------|
| | | 2006 % | 2005 % |
| The New Straits Times Press (Malaysia) Berhad | Publishing and sale of newspaper and investment holding | 43.29 | 43.29 |
| Sistem Network Nusantara Sdn Bhd | Dormant | 49.00 | 49.00 |

28 INVESTMENTS

| | GROUP | |
|-------------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| At cost: | | |
| Shares in corporations, quoted in Malaysia | 288 | 288 |
| Less: Allowance for diminution in value | (190) | (188) |
| | 98 | 100 |
| Units in property and unit trusts, quoted in Malaysia | 5,210 | 5,210 |
| Less: Allowance for diminution in value | (2,822) | (3,028) |
| | 2,388 | 2,182 |
| Shares in corporations, unquoted | 381 | 20,381 |
| Less: Allowance for diminution in value | (245) | (20,245) |
| | 136 | 136 |
| Club membership, unquoted | 70 | 70 |
| | 2,692 | 2,488 |
| At market value: | | |
| Quoted shares | 185 | 128 |
| Quoted property and unit trusts | 2,402 | 2,223 |

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29 INTANGIBLE ASSETS

| | GROUP | |
|----------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Programmes and film rights: | | |
| At 1 January | 33,843 | 25,143 |
| Additions during the financial year | 158,140 | 118,304 |
| Acquisition of subsidiaries (Note 37) | - | 6,901 |
| | 191,983 | 150,348 |
| Amortisation during the financial year | (152,727) | (115,337) |
| Write off during the financial year | (520) | (1,168) |
| At 31 December | 38,736 | 33,843 |

30 INVENTORIES

| | GROUP | |
|--------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Consumable spares | 645 | 426 |
| Events-in-progress | 659 | 766 |
| | 1,304 | 1,192 |

31 TRADE AND OTHER RECEIVABLES

| | GROUP | | COMPANY | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Trade receivables | 200,639 | 192,883 | - | - |
| Less: Allowance for doubtful debts | (42,360) | (54,890) | - | - |
| | 158,279 | 137,993 | - | - |
| Deposits | 3,443 | 3,198 | - | - |
| Tax recoverable | 717 | 717 | - | - |
| Prepayments | 13,316 | 15,540 | 551 | 360 |
| Other receivables | 172,533 | 167,889 | 2,474 | 2,630 |
| | 190,009 | 187,344 | 3,025 | 2,990 |
| Less: Allowance for doubtful debts | (164,693) | (164,615) | - | - |
| | 25,316 | 22,729 | 3,025 | 2,990 |
| | 183,595 | 160,722 | 3,025 | 2,990 |

31 TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency exposure profile of trade receivables is as follows:

| | GROUP | | COMPANY | |
|------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Ringgit Malaysia | 186,903 | 179,246 | – | – |
| US Dollar | 13,736 | 13,637 | – | – |
| | 200,639 | 192,883 | – | – |

Credit terms of trade receivables are 90 days (2005: 90 days).

32 AMOUNTS DUE FROM SUBSIDIARIES

| | COMPANY | |
|-------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Amounts due from subsidiaries | 263,594 | 222,328 |

The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecured, interest free and have no fixed terms of repayment. Included in amounts due from subsidiaries is a loan denominated in Ringgit Malaysia of RM99 million (2005 : RM99 million) which bears interest at 5.00% (2005: 5.00%) per annum.

33 DEPOSITS, CASH AND BANK BALANCES

| | GROUP | | COMPANY | |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Cash and bank balances | 39,933 | 45,700 | 6,670 | 9,901 |
| Deposits with licensed financial institutions: | | | | |
| - Deposits with licensed banks | 79,275 | 17,304 | 74,153 | 3,118 |
| - Deposits with licensed finance companies | 948 | 948 | – | – |
| - Deposits with discount houses | 8,000 | – | – | – |
| - Deposits with other licensed financial institutions | 2,109 | 2,000 | – | – |
| | 90,332 | 20,252 | 74,153 | 3,118 |
| Deposits, cash and bank balances (Note 36) | 130,265 | 65,952 | 80,823 | 13,019 |

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33 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

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

| | GROUP | | COMPANY | |
|------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Ringgit Malaysia | 129,595 | 63,946 | 80,823 | 13,019 |
| US Dollar | 670 | 2,006 | – | – |
| | 130,265 | 65,952 | 80,823 | 13,019 |

During the financial year, the interest rates for the deposits ranged from 3.00% to 3.55% (2005: 2.70% to 3.00%) per annum for the Group and the Company. As at 31 December 2006, the effective interest rates for the deposits ranged from 3.00% to 3.55% (2005: 2.70% to 3.00%) per annum for the Group and the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2005: 30 days to 60 days).

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

34 PROPERTY CLASSIFIED AS HELD-FOR-SALE

| | GROUP | |
|-----------------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Investment property classified as held-for-sale: | | |
| - Leasehold land | 14,927 | – |
| - Leasehold building | 45,674 | – |
| | 60,601 | – |
| Less: Loss on measurement to fair value less cost to sell | (1,941) | – |
| Fair value less cost to sell | 58,660 | – |

A subsidiary has entered into a sale and purchase agreement, for the disposal of a piece of leasehold land together with a six storey building. This satisfies the criteria set out in FRS 5 “Non-current Assets Held for Sale and Presentation of Discontinued Operations” and hence, the investment property has been classified as “property classified as held-for-sale” (See Note 48 (b) (ii) to the financial statements). The difference between the carrying value of the investment property and the fair value less cost to sell, amounting to RM1,941,000, has been recognised as a loss in the income statement.

35 AMOUNT DUE TO AN ASSOCIATE

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

36 CASH AND CASH EQUIVALENTS

| | GROUP | | COMPANY | |
|--------------------------------------------|----------------|----------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Deposits, cash and bank balances (Note 33) | 130,265 | 65,952 | 80,823 | 13,019 |
| Less: | | | | |
| Restricted deposits: | | | | |
| - Deposits with a licensed bank | (7,025) | (2,984) | (7,000) | (2,909) |
| - Deposits with a licensed finance company | (948) | (948) | - | - |
| | (7,973) | (3,932) | (7,000) | (2,909) |
| | 122,292 | 62,020 | 73,823 | 10,110 |
| Less: Bank overdrafts (Note 20) | (783) | - | - | - |
| | 121,509 | 62,020 | 73,823 | 10,110 |

Bank balances at the end of the financial year include the following deposits which are not available for use by the Group and the Company:

- Deposits with a licensed bank, amounting to RM25,000 (2005: RM74,000), which have been placed with the licensed bank for bank guarantee facilities extended to the Group;
- Deposits with a licensed bank, amounting to RM7,000,000 (2005: RM2,909,655), which have been placed with a licensed bank as a debt service reserve account in relation to the issuance of Commercial Papers and Medium Term Notes of the Company; and
- Deposits with a licensed finance company, amounting to RM948,162 (2005: RM948,162), which have been placed with a licensed finance company pending the completion of the installation of certain equipment of the Group.

37 ACQUISITION OF SUBSIDIARIES

There were no completed acquisitions during the current financial year.

In the previous financial year, the Company/Group acquired the following subsidiaries:

(a) Perintis Layar Sdn Bhd/Max-Airplay Sdn Bhd

On 28 April 2005, MPB entered into a Sale of Shares Agreement to acquire the entire equity interest in Perintis Layar Sdn Bhd ("PLSB"), which holds 75% interest in Max-Airplay Sdn Bhd ("Max-Airplay") for a consideration of RM2. Max-Airplay operates the radio station Fly.FM. As a result of the acquisition, the Company effectively acquired 75% equity interest in Max-Airplay.

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37 ACQUISITION OF SUBSIDIARIES (CONTINUED)

The acquisition was completed on 29 April 2005.

(b) Ch-9 Media Sdn Bhd

On 10 June 2005, the Company entered into a Share Sale Agreement to acquire the entire equity interest in Ch-9 Media Sdn Bhd ("Ch-9") for a total purchase consideration of RM70 million, satisfied by the following:

- (i) Cash consideration of RM41.44 million; and
- (ii) Settlement of Ch-9's shareholders' advances of RM28.56 million owing by Ch-9 to former shareholders.

The acquisition was completed on 23 September 2005.

(c) Natseven TV Sdn Bhd ("ntv7")/Synchrosound Studio Sdn Bhd ("Synchrosound")/Encorp Media Technology Sdn Bhd ("EMT")

On 27 October 2005, the Company entered into a Sale and Purchase Agreement ("SPA") and a separate Sale and Purchase Agreement ("0.83% SPA") to acquire 99.17% and 0.83% equity interest respectively in ntv7 for a total cash consideration of RM89.25 million and RM0.75 million respectively.

On 27 October 2005, the Company entered into a SPA to acquire the entire equity interest in Synchrosound and EMT for cash considerations of RM10 each. Synchrosound operates the radio station WAfm (now known as Hot.FM).

The acquisitions were completed on 30 December 2005.

The effect of these acquisitions on the financial results of the Group in the previous financial year is shown below:

| | 2005 RM'000 |
|-----------------------------------------------|----------------|
| Revenue | 127 |
| Expenses excluding finance costs and taxation | (5,974) |
| Loss from operations | (5,847) |
| Finance costs | (52) |
| Loss before taxation | (5,899) |
| Taxation | - |
| Net loss after taxation | (5,899) |
| Minority interests | 842 |
| Net loss for the financial year | (5,057) |

37 ACQUISITION OF SUBSIDIARIES (CONTINUED)

The effect of these acquisitions on the financial position of the Group as at 31 December 2005 is as follows:

| | 2005 RM'000 |
|--------------------------------|----------------|
| Property, plant and equipment | 63,185 |
| Intangible assets | 6,901 |
| Trade and other receivables | 23,722 |
| Cash and bank balances | 8,078 |
| Trade and other payables | (255,791) |
| Current tax liabilities | (638) |
| Borrowings | (70,000) |
| Net liabilities | (224,543) |
| Minority interests | 902 |
| Decrease in Group's net assets | (223,641) |

Details of net assets acquired, goodwill and cash flow arising from these acquisitions in the previous financial year were as follows:

| | AT DATE OF ACQUISITION RM'000 |
|----------------------------------------------------------|-------------------------------------|
| Property, plant and equipment (Note 24) | 61,711 |
| Intangible assets (Note 29) | 6,901 |
| Trade and other receivables | 35,231 |
| Cash and bank balances | 6,594 |
| Trade and other payables | (245,334) |
| Current tax liabilities | (638) |
| Borrowings | (70,000) |
| Minority interests | 60 |
| Group's share of net liabilities | (205,475) |
| Goodwill on acquisition | 365,475 |
| Cost of acquisition | 160,000 |
| Total purchase consideration | 160,000 |
| Less: Outstanding purchase consideration | (65,000) |
| Purchase consideration discharged by cash | 95,000 |
| Less: Cash and cash equivalents of subsidiaries acquired | (6,594) |
| Cash outflow of the Group on acquisition | 88,406 |
| Cash outflow of the Company on acquisition | 95,000 |

Goodwill arising on these acquisitions has been written off against the Group's accumulated losses in the previous financial year.

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37 ACQUISITION OF SUBSIDIARIES (CONTINUED)

(d) Acquisition of subsidiaries through internal restructuring

In the previous financial year, the Company acquired the entire equity interest in the following subsidiaries from STMB, a wholly-owned subsidiary, for a total purchase consideration of RM105,570, pursuant to a Group's internal restructuring exercise. Set out below are the details of the subsidiaries acquired:

| COMPANY NAME | EFFECTIVE DATE OF ACQUISITION | EQUITY INTEREST ACQUIRED | PURCHASE CONSIDERATION RM |
|------------------------------------------------------------------------|----------------------------------|-----------------------------|---------------------------------|
| Animated & Production Techniques Sdn Bhd | 4 January 2005 | 100% | 1 |
| Newslink Asia Sdn Bhd | 4 January 2005 | 100% | 1 |
| Grand Brilliance Sdn Bhd | 28 March 2005 | 100% | 1 |
| Tiga Events Sdn Bhd | 28 March 2005 | 100% | 105,563 |
| Esprit Assets Sdn Bhd | 28 March 2005 | 100% | 1 |
| Amity Valley Sdn Bhd | 28 March 2005 | 100% | 1 |
| Able Communications Sdn Bhd | 28 March 2005 | 100% | 1 |
| Alternate Records Sdn Bhd (formerly known as Ambang Klasik Sdn Bhd) | 28 March 2005 | 100% | 1 |
| | | | 105,570 |

The above acquisitions had no significant effect on the financial results and financial position of the Group as at 31 December 2005.

38 CASH FLOWS GENERATED FROM OPERATIONS

| | GROUP | | COMPANY | |
|----------------------------------------------------------------------------|----------------|----------------|-----------------|-----------------|
| | 2006 RM'000 | 2005 RM'000 | 2006 RM'000 | 2005 RM'000 |
| Net profit for the financial year | 82,994 | 54,794 | 3,923 | 53,770 |
| Adjustments for: | | | | |
| Programmes, film rights and album production cost | | | | |
| - Amortisation | 152,727 | 115,337 | - | - |
| - Write off | 520 | 1,168 | - | - |
| Prepaid expenditure written off | 284 | 284 | - | - |
| Property, plant and equipment | | | | |
| - Depreciation | 27,022 | 22,242 | 4 | 3 |
| - Gain on disposals | (413) | (185) | - | - |
| - Write off | - | 588 | - | - |
| Investment properties | | | | |
| - Depreciation | 1,786 | 1,629 | - | - |
| - Impairment losses | 2,165 | - | - | - |
| Loss on measurement of asset held-for-sale to fair value less cost to sell | 1,941 | - | - | - |
| Prepaid programme and film rights written off | 2,680 | - | - | - |
| Interest expenses | 24,847 | 14,883 | 12,833 | 8,766 |
| Amortisation of transaction fees - UREB | 262 | - | 262 | - |
| (Reversal of)/allowance for diminution in value of quoted investments | (204) | 101 | - | - |
| Net unrealised exchange gain | (463) | - | (106) | - |
| Share of results of an associate | (10,635) | (5,368) | - | - |
| Dividend income | (135) | (121) | (6,730) | (80,080) |
| Interest income | (2,048) | (2,438) | (6,321) | (5,716) |
| Taxation | 22,657 | 9,523 | 1,992 | 22,614 |
| | 305,987 | 212,437 | 5,857 | (643) |
| Changes in working capital: | | | | |
| Inventories | (112) | (105) | - | - |
| Receivables | (27,273) | (1,156) | (35) | (2,779) |
| Payables | (189,035) | (138,870) | 12,292 | 381 |
| Subsidiaries | - | - | (34,855) | (16,986) |
| Associates | 224 | 170 | - | - |
| Restricted bank balances | (4,041) | 1,886 | (4,091) | (40) |
| Cash flows generated from operations | 85,750 | 74,362 | (20,832) | (20,067) |

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39 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year are as follows:

| | GROUP | |
|---------------------------------------------------------------------------|--------|--------|
| | 2006 | 2005 |
| | RM'000 | RM'000 |
| Property, plant and equipment obtained through: | | |
| - contra arrangements with customers | 1,715 | 1,862 |
| - hire-purchase arrangements | 12,552 | 341 |
| Investment properties obtained through contra arrangements with customers | 295 | – |

40 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions which were carried out on terms and conditions attainable in transactions with unrelated parties.

| NAME OF COMPANY | RELATIONSHIP | GROUP | |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------|--------|
| | | 2006 | 2005 |
| | | RM'000 | RM'000 |
| The New Straits Times Press (Malaysia) Berhad (“NSTP”) | An associate of the Company | | |
| Television Airtime Services Sdn Bhd | A company controlled by a director of a subsidiary (ceased control during the year) | | |
| (a) Purchase of programme rights from: Television Airtime Services Sdn Bhd | | 2,704 | 260 |
| (b) Placement of advertisements with: The New Straits Times Press (Malaysia) Berhad | | – | 747 |
| (c) Sale of advertisements to: The New Straits Times Press (Malaysia) Berhad | | – | 59 |

During the financial year, the Group and its associate, NSTP, entered into an arrangement whereby all sales and placement of advertisements between the two entities are made in slots/space usually reserved for in-house advertisements and promotions. The fair values of these sales and placement of advertisements are not material in relation to the financial statements.

41 CHANGES IN ACCOUNTING POLICIES

The list of new accounting standards, amendments to published standards and interpretations on existing standards that are effective for the Group's and for the Company's financial years beginning on or after 1 January 2006 is set out in accounting policy Note A on basis of preparation.

The following describes the impact of new standards, amendments and interpretations on the financial statements of the Group and of the Company.

(a) Irrelevant or immaterial effect on financial statements

The adoption of FRS 1, 102, 108, 110, 116, 121, 127, 128, 131, 132, 140, the 'asset ceiling' amendment to FRS 119²⁰⁰⁴ and ICs did not have a material impact on the financial statements of the Group and of the Company. In summary:

- FRS 1 and the amendment to FRS 119²⁰⁰⁴ are not relevant to the Group and Company's operations
- FRS 102, 108, 110, 121, 127, 128, 131, 132, 140 and ICs had no material effect on the Group's and on the Company's policies
- FRS 116 now permits the Group and Company to transfer a proportion of revaluation surplus relating to revalued assets from revaluation reserve to retained earnings as the asset is used by the Group and Company

(b) Reclassification of prior year comparatives

Set out below are changes in accounting policies that resulted in reclassification of prior year comparatives but did not affect the recognition and measurement of the Group and of the Company's net assets:

- FRS 101 has affected the presentation of minority interest. In the consolidated balance sheets, minority interest is now presented within equity, separately from equity holders of the Company. Profit or loss in the consolidated income statements as well as total income and expenses for the financial year recognised directly in equity are now allocated between minority interest and equity holders of the Company.
- Under FRS 101, the Group's share of results of associates is now shown net of tax.

(c) FRS 2 "Share-based Payment"

The adoption of FRS 2 has resulted in a change in the accounting policy for share-based payments. In previous years, the provision of share options to employees did not result in a charge to the income statement. Upon adoption of FRS 2, the Group and the Company recognise the fair value of such share options as an expense in the income statement over the vesting period of the grant with a corresponding increase in equity. The new accounting policy is to be applied prospectively to share options granted subsequent to 1 January 2006.

There were no new share options granted during the financial year and the share options previously granted (as disclosed in Note 10 to the financial statements) had vested at the effective date of this FRS.

Accordingly, there is no impact on the prior and current years' financial statements of the Group and the Company.

(d) FRS 3 "Business Combinations", FRS 136 "Impairment of Assets" and FRS 138 "Intangible Assets"

(i) Goodwill

The adoption of FRS 3, FRS 136 and 138 resulted in a change in the accounting policy for goodwill prospectively from 1 January 2006. The new accounting policy is to be applied prospectively to business combinations with agreement dates on or after 1 January 2006.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
ended 31 December 2006
CONT'D

41 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(d) FRS 3 “Business Combinations”, FRS 136 “Impairment of Assets” and FRS 138 “Intangible Assets” (continued)

In accordance with the provisions of FRS 3;

- amortisation of goodwill shall cease from 1 January 2006;
- goodwill is stated at cost less accumulated impairment, and is tested annually for impairment, as well as when there are indications of impairment.

Until 31 December 2005, goodwill arising from prior years’ acquisitions had been written off against the Group’s revenue reserve.

Accordingly, there is no impact of this change in accounting policy on the prior and current years’ consolidated financial statements.

(e) FRS 127 “Consolidated and Separate Financial Statements”

Previously, when merger accounting was applied, FRS 122²⁰⁰⁴ “Business Combinations” required that the investment in the relevant subsidiary be recorded at the aggregate of the nominal value of equity shares issued, cash and cash equivalents and fair value of other consideration. FRS 127 now requires the equity shares issued to be recorded at cost and not nominal values.

There were no effects on the Company’s income statement or the consolidated financial statements.

(f) FRS 5 “Non-current Assets Held for Sale and Presentation of Discontinued Operations”

The adoption of FRS 5 has affected certain assets which have been reclassified as “Assets held-for-sale” upon meeting certain criteria where the carrying amount will be recovered principally through a sale transaction rather than through continuing use, and which are stated at the lower of their carrying amount and fair value less costs to sell. The assets held-for-sale ceased to be depreciated upon satisfaction of the criteria.

A loss on measurement of asset held-for-sale to fair value less cost to sell, amounting to RM1,941,000, has been recognised in the income statement.

(g) FRS 133 “Earning per share”

The adoption of FRS 133 has affected the calculations of the basic and diluted earnings per share to include the potential ordinary shares that would be issued upon the conversion of a mandatorily convertible instrument from the date the contract is entered into. The Company has a mandatorily convertible instrument, ICULS, which are convertible any time on or after 18 July 2005.

The comparative basic and diluted earnings per share information has been restated to take into account the effect of the mandatorily convertible instrument arising from the change in accounting policy as shown in Note 41 (h) to the financial statements.

(h) Restatement of the financial statements for the financial year ended 31 December 2005

The following tables disclose the adjustments that have been made in accordance with the transitional and new provisions of the respective FRSs to each of the line items in the Group and Company’s income statements for the year ended 31 December 2005.

41 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

| | CHANGES IN ACCOUNTING POLICIES | | | |
|---------------------------------------------------------------------------|--------------------------------|-------------------|-------------|----------|
| | AS PREVIOUSLY | RECLASSIFICATIONS | FRS 133 | AS |
| | REPORTED | NOTE 41 (b) | NOTE 41 (g) | RESTATED |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | |
| Income statements for the financial year ended 31 December 2005 | | | | |
| Share of results of associates | 12,684 | (7,316) | – | 5,368 |
| Profit before taxation | 71,633 | (7,316) | – | 64,317 |
| Taxation | (16,839) | 7,316 | – | (9,523) |
| Minority interests | 1,451 | (1,451) | – | – |
| Net profit for the financial year | 56,245 | (1,451) | – | 54,794 |
| Earnings per share attributable to ordinary equity holders of the Company | | | | |
| - basic (sen) | 9.97 | – | (1.46) | 8.51 |
| - diluted (sen) | 8.77 | – | (0.72) | 8.05 |
| Cash flow statements for the financial year ended 31 December 2005 | | | | |
| Net profit for the financial year | 56,245 | (1,451) | – | 54,794 |
| Minority interests | 1,451 | (1,451) | – | – |
| Taxation | (16,839) | 7,316 | – | (9,523) |

42 COMMITMENTS

(a) Capital commitments

| | GROUP | |
|--------------------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| Capital commitments, approved but not contracted for | | |
| - Property, plant and equipment | 30,846 | 49,523 |
| - Programmes and film rights | 123,663 | 122,070 |
| | 154,509 | 171,593 |
| Capital commitments, approved and contracted for | | |
| - Acquisition of subsidiaries (Note 48 (a)(i) and 48 (b)(i)) | 140,634 | – |
| | 295,143 | 171,593 |
| Share of an associate's capital commitments | 18,797 | 22,669 |

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
ended 31 December 2006
CONT'D

42 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

| | GROUP | |
|------------------------------------------------|----------------|----------------|
| | 2006 RM'000 | 2005 RM'000 |
| - Not later than 1 year | 9,263 | 9,212 |
| - Later than 1 year and not later than 5 years | 26,701 | 34,610 |
| - Later than 5 years | 2,521 | 3,875 |
| | 38,485 | 47,697 |

The operating lease commitments relate to the rental of the Company's registered office and principal place of business as disclosed in Note 1 to the financial statements.

43 CONTINGENT LIABILITIES

(a) Material litigation

- (i) A claim of RM60 million (2005: RM60 million) for defamation action was brought against a subsidiary, STMB, for words mentioned during its news programme in 1997. On 2 July 2001, the High Court dismissed plaintiff's claim with costs. The plaintiff appealed against the High Court's decision. On 5 July 2006, the Court Of Appeal dismissed plaintiff's appeal with costs.
- (ii) A claim of RM100 million (2005: RM100 million) for defamation action was brought against STMB for words mentioned and visual broadcasting during its news programme in 1998. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (iii) A claim of RM24 million (2005: RM24 million) for an alleged breach of contract for the marketing of STMB's Tamil belt programme was brought against STMB in 2002. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.
- (iv) A claim for defamation was brought against a subsidiary, ntv7, for statements made during its programme in 2003. On 6 March 2006, the High Court granted leave to withdraw the claim due to plaintiff's death.
- (v) A claim under Section 20 of the Industrial Relations Act, 1967 by 22 former employees of ntv7 was made against ntv7, claiming that a retrenchment exercise which was carried out by ntv7 on 31 October 1998 was unfair and that they be reinstated to their former positions without any loss of salary or contractual benefits. On 12 January 2007, the Industrial Court has decided in cause or excuse.
- (vi) A claim of RM100 million for defamation action was brought against a subsidiary, ntv7, for visual images and statements made during its programme in 2004. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.

43 CONTINGENT LIABILITIES (CONTINUED)

- (b) The Group is a defendant in various other legal actions with contingent liabilities amounting to approximately RM11 million (2005: RM10 million). The Directors are of the opinion, after taking appropriate legal advice, that the outcome of such actions will not give rise to any significant loss.
- (c) As at 31 December 2006, there are no contingent liabilities relating to the associates (2005: Nil).

However, there are several libel suits which involve claims against an associate of which the outcome and compensation, if any, are not determinable. No provision has been made in the financial statements of the associate as at 31 December 2006 as the directors are of the opinion that the claims have no merit. The directors of the associate do not expect the outcome of these claims to have a material impact on the financial position of the associate.

44 SEGMENTAL ANALYSIS

- (a) Primary reporting format - business segment

The Group operates primarily within one business segment, namely commercial television broadcasting and related services.

Other operations of the Group consist of the activities set out in Note 1 to the financial statements, none of which are of a sufficient size to be reported separately.

- (b) Secondary reporting format - geographical segment

The group operates in two main geographical areas as shown below:

| | REVENUE RM'000 | CAPITAL EXPENDITURE RM'000 | TOTAL SEGMENT ASSETS* RM'000 |
|-------------------|-------------------|----------------------------------|---------------------------------------|
| 2006 | | | |
| Malaysia | 515,697 | 40,477 | 897,301 |
| Republic of Ghana | 18,992 | 1,829 | 34,332 |
| | 534,689 | 42,306 | 931,633 |
| 2005 | | | |
| Malaysia | 378,795 | 38,049 | 794,575 |
| Republic of Ghana | 20,894 | 2,610 | 28,833 |
| | 399,689 | 40,659 | 823,408 |

* Excludes deferred tax assets and tax recoverable.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
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CONT'D

45 FAIR VALUE OF FINANCIAL INSTRUMENTS FOR DISCLOSURE PURPOSES

The fair value of a financial instrument is assumed to be the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

Quoted market prices, when available, are used as a measure of fair values. However, for a significant portion of the Group's and Company's financial instruments, quoted market prices do not exist. For such financial instruments, fair values presented are estimates derived using the net present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values.

The carrying values of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values, except as set out below:

| | 2006 | | 2005 | |
|------------------------------------------|------------------------------|----------------------|------------------------------|----------------------|
| | CARRYING AMOUNT RM'000 | FAIR VALUE RM'000 | CARRYING AMOUNT RM'000 | FAIR VALUE RM'000 |
| Group | | | | |
| Investments | | | | |
| - Quoted shares ^ | 98 | 185 | 100 | 128 |
| - Quoted property and unit trusts ^ | 2,388 | 2,402 | 2,182 | 2,223 |
| - Unquoted investments | 206 | Note (a) | 206 | Note (a) |
| ICULS ^ | 13,921 | 21,996 | 92,557 | 102,739 |
| Medium term notes * | 70,000 | 76,885 | 70,000 | 75,554 |
| UREB * | 83,762 | 92,100 | 83,500 | 90,279 |
| RULS (non-current) * | 31,022 | 31,330 | 62,044 | 60,751 |
| Term loans (secured) (non-current) * | 70,000 | 73,173 | 70,734 | 74,363 |
| Hire-purchase and lease creditors * | 12,059 | 12,526 | 644 | 631 |
| Trade and other payables (non-current) * | 18,732 | 17,628 | 52,063 | 47,865 |
| Company | | | | |
| ICULS ^ | 13,921 | 21,996 | 92,557 | 102,739 |
| Medium term notes * | 70,000 | 76,885 | 70,000 | 75,554 |
| UREB * | 83,762 | 92,100 | 83,500 | 90,279 |
| Trade and other payables (non-current) * | 8,507 | 7,877 | 30,000 | 27,194 |

(a) It is not practicable to estimate the fair value of the Group's unquoted investments because of the lack of reference market prices and the inability to estimate fair value without incurring excessive costs. However, the carrying amounts recorded are not anticipated to differ significantly from their fair values at the balance sheet date.

^ The fair value of these financial instruments has been estimated using quoted market prices at balance sheet date.

* The fair value of these financial instruments has been estimated using future contractual cash flows discounted at current market interest rates available for similar financial instruments/loans.

46 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

- foreign currency exchange risk - risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- fair value interest rate risk - risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- cash flow interest rate risk - risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value
- price risk - risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market
- credit risk - risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss
- liquidity risk (funding risk) - risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Foreign currency exchange risk

The Group operates internationally and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currency.

The exposure of the Group to currency fluctuations of Ringgit Malaysia to the US Dollar is minimal. The exposures of the Group to other currency fluctuations are minimal.

(b) Fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt.

(c) Price risk

For key product purchases, the Group establishes floating and fixed priced levels that the Group considers acceptable and enters into physical supply agreements, where necessary, to achieve these levels.

NOTES TO THE FINANCIAL STATEMENTS

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ended 31 December 2006
CONT'D

46 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

The Group trades with a large number of customers who are nationally and internationally dispersed but within the commercial television and radio broadcasting industry. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

(e) Liquidity risk and cash flow interest rate risk

The Group manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding requirements are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

47 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the notes to the financial statements. Comparative figures have been adjusted to conform to current year's presentation.

The items reclassified are as follows:

| | NOTE | AS PREVIOUSLY REPORTED RM'000 | RECLASSIFICATIONS RM'000 | AS RESTATED RM'000 |
|---------------------------------------|------|-------------------------------------|-----------------------------|--------------------------|
| Group | | | | |
| Balance sheets as at 31 December 2005 | | | | |
| Non-current | | | | |
| | 22 | | | |
| - Trade payables | | 3,770 | 6,712 | 10,482 |
| - Programme rights payables | | 4,219 | 3,616 | 7,835 |
| - Other payables | | 44,682 | (10,936) | 33,746 |
| Current | | | | |
| | 22 | | | |
| - Trade payables | | 39,929 | 8,249 | 48,178 |
| - Programme rights payables | | 22,042 | 4,348 | 26,390 |
| - Trade accruals | | 18,665 | 4,015 | 22,680 |
| - Other accruals | | 87,932 | 9,903 | 97,835 |
| - Other payables | | 93,796 | (25,907) | 67,889 |

48 SIGNIFICANT POST BALANCE SHEET EVENTS

(a) Corporate proposals completed after 31 December 2006

(i) Acquisitions of UPD Sdn Bhd and The Right Channel Sdn Bhd

On 30 November 2006, the Company entered into a conditional share sale agreement with Utusan Melayu (Malaysia) Berhad to acquire 2,128,000 ordinary shares of RM1.00 each in UPD Sdn Bhd ("UPD") representing 100% of the issued and paid-up share capital of UPD for a cash consideration of RM1.00.

On the same day, the Company also entered into a conditional share sale agreement with NSTP, its associate, to acquire 5,000,000 ordinary shares of RM1.00 each in The Right Channel Sdn Bhd ("TRC") representing 100% of the issued and paid-up share capital of TRC for a cash consideration of RM1.00.

The acquisitions of UPD and TRC were completed on 28 February 2007. As this is a recent acquisition, it was not practicable to disclose information on the fair value of net identifiable assets acquired and the resultant goodwill arising on this acquisition.

(b) Corporate proposals announced but not completed

(i) Acquisition of Big Tree Outdoor Sdn Bhd ("BTO")

On 20 November 2006, the Company entered into conditional share sale agreements with CIMB Private Equity Sdn Bhd, Suridah Jalaluddin and Sunnetic Sdn Bhd to acquire, in total, 350,000 ordinary shares of RM1.00 each in BTO representing 70% of the issued and paid-up share capital of BTO for an aggregate purchase consideration of RM97.24 million. The purchase consideration is partly to be satisfied via the issuance of 38,571,429 ordinary shares of RM1.00 each in the Company at an issue price of RM2.10 per share amounting to RM81.00 million. The balance of the purchase consideration of RM16.24 million is to be satisfied via cash.

On 12 January 2007, the Company also entered into a conditional share sale agreement with Eye Corp Asia Limited ("EYE") to acquire the remaining 150,000 shares of RM1.00 each in BTO from EYE representing 30% of the issued and paid-up share capital of BTO for a purchase consideration of RM43.39 million to be satisfied via cash.

The above proposals had been approved by the Securities Commission ("SC") on 15 February 2007 subject to certain conditions being met. The proposal is now subject to shareholders' approval which is to be obtained at an Extraordinary General Meeting to be held on 28 March 2007.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year
ended 31 December 2006
CONT'D

48 SIGNIFICANT POST BALANCE SHEET EVENTS (CONTINUED)

(b) Corporate proposals announced but not completed (Continued)

(ii) Disposal of an investment property

On 22 January 2007, Sistem Televisyen Malaysia Berhad ("STMB"), a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement with Zetro Services Sdn Bhd ("Zetro") for the proposed disposal of a piece of leasehold land together with a six storey building erected thereon to Zetro for a total cash consideration of RM60.0 million.

The proposal is now subject to shareholders' approval which is to be obtained at an Extraordinary General Meeting to be held on 28 March 2007.

(c) Employee Share Option Scheme

On 28 February 2007, the Directors have approved the offer of 4,747,200 share options to eligible employees of the Group at an exercise price of RM2.23 per option which expire on 10 January 2010.

49 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 March 2007.

STATEMENT BY DIRECTORS

pursuant to
section 169(15)
of the Companies Act,
1965

We, Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak and Abdul Rahman Ahmad, two of the Directors of Media Prima Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 111 to 184 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2006 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 March 2007.

DATO' ABDUL MUTALIB BIN DATUK SERI MOHAMED RAZAK
CHAIRMAN

ABDUL RAHMAN AHMAD
MANAGING DIRECTOR

STATUTORY DECLARATION

pursuant to
section 169(16)
of the Companies Act,
1965

I, Amil Izham Hamzah, the Officer primarily responsible for the financial management of Media Prima Berhad, do solemnly and sincerely declare that the financial statements set out on pages 111 to 184 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

AMIL IZHAM HAMZAH

Subscribed and solemnly declared by the abovenamed Amil Izham Hamzah, at Petaling Jaya, on 28 March 2007, before me.

E. RADAKRISHNAN
COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS

to the members of
Media Prima Berhad

We have audited the financial statements set out on pages 111 to 184. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia for Entities other than Private Entities so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2006 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 26 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of Section 174 of the Act.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

SRIDHARAN NAIR

(No. 2656/05/08 (J))

Partner of the firm

Kuala Lumpur
28 March 2007

ANALYSIS OF SHAREHOLDINGS

| | |
|-------------------------|----------------------------------|
| Authorised capital | : RM2,000,000,000 |
| Issued and paid capital | : RM808,550,529 |
| Class of shares | : Ordinary shares of RM1.00 each |
| No. of shareholders | : 34,239 |

DISTRIBUTION OF SHAREHOLDINGS (ORDINARY)

as at 30 March 2007

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % OF SHAREHOLDERS | NO. OF SHARES | % OF ISSUED SHARE CAPITAL |
|------------------------------------------|---------------------|-------------------|--------------------|---------------------------|
| Less than 100 | 4,715 | 13.77 | 203,066 | 0.03 |
| 100 - 1,000 | 17,310 | 50.56 | 8,839,561 | 1.09 |
| 1,001 - 10,000 | 10,908 | 31.86 | 32,316,625 | 4.00 |
| 10,001 - 100,000 | 1,093 | 3.19 | 26,947,051 | 3.33 |
| 100,001 to less than 5% of issued shares | 208 | 0.61 | 350,042,992 | 43.29 |
| 5% and above of issued shares | 5 | 0.01 | 390,201,234 | 48.26 |
| | 34,239 | 100.00 | 808,550,529 | 100.00 |

STATEMENT OF DIRECTORS' INTERESTS

in the Company as at 30 March 2007

| NAMES | TOTAL SHAREHOLDINGS | % |
|-----------------------------------------------------|---------------------|-------------|
| 1. Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak | – | – |
| 2. Abdul Rahman bin Ahmad | – | – |
| 3. Shahril Ridza bin Ridzuan | – | – |
| 4. Dato' Dr Mohd Shahari bin Ahmad Jabar | – | – |
| 5. Tan Sri Lee Lam Thye | – | – |
| 6. Dato' Ahmad Farid bin Ridzuan | 300,000 | 0.04 |
| 7. Datuk Hj Kamarulzaman bin Hj Zainal | – | – |
| 8. Dato' Seri Mohamed Jawhar | – | – |
| | 300,000 | 0.04 |

ANALYSIS OF SHAREHOLDINGS

CONT'D

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (ORDINARY)

as at 30 March 2007

| NAMES | NO. OF SHARES HELD | % |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------|
| 1. Employees Provident Fund Board | 154,081,445** | 19.06 |
| 2. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Capital Asset Management Sdn Bhd For Gabungan Kesturi Sdn Bhd | 106,703,656 | 13.20 |
| 3. Amanah Raya Berhad | 106,703,656* | 13.2 |
| 4. Cartaban Nominees (Asing) Sdn Bhd Investors Bank And Trust Company For The Oakmark International Small Cap Fund | 50,212,300 | 6.21 |
| 5. HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. Incorporated | 47,569,300 | 5.88 |
| 6. HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. International Limited | 41,705,300 | 5.16 |
| | 390,201,234 | 48.26 |

* Deemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd

** Shares held in CDS account as follows:

| | |
|-----------------------------------------|-------------|
| EPF Account | 144,010,678 |
| AmanahRaya JMF Asset Management Sdn Bhd | 890,000 |
| AmlInvestment Management Sdn Bhd | 1,500,000 |
| CMS Dresdner Asset Management Sdn Bhd | 2,490,000 |
| CIMB-Principal Asset Management Bhd | 2,996,200 |
| Hwang DBS Investment Management Bhd | 639,300 |
| RHB Asset Management Sdn Bhd | 1,555,267 |

THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY)

as at 30 March 2007

(without aggregating the securities from different securities account belonging to same Depositor)

| NAMES | HOLDINGS | |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------|
| | NO. OF SHARES HELD | % |
| 1. Employers Provident Fund Board | 144,010,678 | 17.81 |
| 2. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Capital Asset Management Sdn Bhd For Gabungan Kesturi Sdn Bhd | 106,703,656 | 13.20 |
| 3. Cartaban Nominees (Asing) Sdn Bhd Investors Bank And Trust Company For The OakMark International Small Cap Fund | 50,212,300 | 6.21 |
| 4. HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. Incorporated | 47,569,300 | 5.88 |
| 5. HSBC Nominees (Asing) Sdn Bhd Exempt An For Morgan Stanley & Co. International Limited | 41,705,300 | 5.16 |
| 6. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore | 21,712,200 | 2.69 |
| 7. Alliancegroup Nominees (Asing) Sdn Bhd Alliance Capital Asset Management Sdn Bhd For Altima, Inc. | 19,619,047 | 2.43 |
| 8. HSBC Nominees (Asing) Sdn Bhd Exempt an For JPMorgan Chase Bank, National Association (UK) | 19,298,700 | 2.39 |
| 9. Sunnetic Sdn Bhd | 19,285,715 | 2.39 |
| 10. Citigroup Nominees (Asing) Sdn Bhd Exempt An For Mellon Bank (Mellon) | 17,994,300 | 2.23 |
| 11. HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Arisaig ASEAN Fund Limited | 16,018,400 | 1.98 |
| 12. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M For Bill And Melinda Gates Foundation Trust | 13,049,400 | 1.61 |
| 13. HSBC Nominees (Asing) Sdn Bhd TNTC For Saudi Arabian Monetary Agency | 10,894,100 | 1.35 |
| 14. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (USA) | 10,781,900 | 1.33 |
| 15. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H) | 10,096,400 | 1.25 |
| 16. Citigroup Nominees (Asing) Sdn Bhd A/C For Edison Asset Management Ltd | 9,000,000 | 1.11 |

ANALYSIS OF SHAREHOLDINGS

CONT'D

THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY) (CONTINUED)

as at 30 March 2007

(without aggregating the securities from different securities account belonging to same Depositor)

| NAMES | HOLDINGS | |
|--------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| | NO. OF SHARES HELD | % |
| 17. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Specialforeningen Bankpension Emerging Markets Aktier (PAL) | 7,305,400 | 0.90 |
| 18. Cartaban Nominees (Asing) Sdn Bhd Investors Bank And Trust Company For Ishares, Inc. | 7,065,500 | 0.87 |
| 19. HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds Malaysia | 5,830,600 | 0.72 |
| 20. Cartaban Nominees (Asing) Sdn Bhd Exempt An For Caceis Bank Luxembourg (CLT ACCT-LUX) | 5,253,000 | 0.65 |
| 21. RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd For Telekom Malaysia Berhad (C) | 5,222,214 | 0.65 |
| 22. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (UAE) | 4,300,100 | 0.53 |
| 23. Minister Of Finance | 4,140,027 | 0.51 |
| 24. HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds - Asia Pacific Growth & Income Fund | 4,000,000 | 0.49 |
| 25. Citigroup Nominees (Tempatan) Sdn Bhd Exempt an For Prudential Assurance Malaysia Berhad | 3,779,763 | 0.47 |
| 26. HSBC Nominees (Asing) Sdn Bhd BBH And Co. Boston For Vanguard Emerging Markets Stock Indexfund | 3,719,700 | 0.46 |
| 27. Amanah Raya Nominees (Tempatan) Sdn Bhd Kumpulan Wang Bersama | 3,600,000 | 0.45 |
| 28. HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Fullerton Global Equities Fund (Fullerton Funds) | 3,250,000 | 0.40 |
| 29. HLG Nominee (Asing) Sdn Bhd Hong Leong Fund Management Sdn Bhd For Asia Fountain Investment Company Limited | 3,000,000 | 0.37 |
| 30. Cartaban Nominees (Asing) Sdn Bhd Exempt An For Carceis Bank (IXIS IS CLTS AC) | 3,000,000 | 0.37 |
| Total | 621,417,700 | 76.86 |

No. of ICULS converted : 166,739,763
 No. of ICULS outstanding : 13,260,237
 Conversion period : 18 July 2005 to 31 July 2008

DIRECTORS' SHAREHOLDINGS (ICULS)

as at 30 March 2007

None of the Directors of the Company have any direct or indirect interest in the ICULS.

MEDIA PRIMA BERHAD (ICULS)

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

as at 30 March 2007

| NAMES | TOTAL SHAREHOLDINGS | % |
|--------------------------------------------------------------------------------------------------------------------------|------------------------|-------|
| 1. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Malaysian Resources Corporation Bhd (CASS) | 1,893,956 | 14.28 |
| 2. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Noor Azman @ Noor Hizam b Mohd Nurdin (CEB) | 1,679,389 | 12.66 |
| 3. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Kidsave Trust (3621) | 1,471,700 | 11.10 |
| | 5,045,045 | 38.05 |

MEDIA PRIMA BERHAD (ICULS)

DISTRIBUTION OF SHAREHOLDINGS (ICULS)

as at 30 March 2007

| SIZE OF SHAREHOLDINGS | NO. OF ICULS SHAREHOLDING | % OF ICULS SHAREHOLDERS | NO. OF ICULS SHARES | % OF ICULS SHARE CAPITAL |
|------------------------------------------|------------------------------|----------------------------|------------------------|-----------------------------|
| Less than 100 | 363 | 8.71 | 15,356 | 0.11 |
| 100 - 1,000 | 2,602 | 62.43 | 1,644,374 | 12.40 |
| 1,001 - 10,000 | 1,098 | 26.34 | 3,222,986 | 24.31 |
| 10,001 - 100,000 | 96 | 2.30 | 2,389,451 | 18.02 |
| 100,001 to less than 5% of issued shares | 6 | 0.15 | 943,025 | 7.11 |
| 5% and above of issued shares | 3 | 0.07 | 5,045,045 | 38.05 |
| | 4,168 | 100.00 | 13,260,237 | 100.00 |

ANALYSIS OF SHAREHOLDINGS

CONT'D

THIRTY (30) LARGEST SHAREHOLDERS (ICULS)

as at 30 March 2007

| NAMES | HOLDINGS | |
|--------------------------------------------------------------------------------------------------------------------------|-------------------|-------|
| | NO. OF ICULS HELD | % |
| 1. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Malaysian Resources Corporation Berhad (CASS) | 1,893,956 | 14.28 |
| 2. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Noor Azman @ Noor Hizam B Mohd Nurdin (CEB) | 1,679,389 | 12.66 |
| 3. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Kidsave Trust (3621) | 1,471,700 | 11.10 |
| 4. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Growthpath 2025 (4587-005) | 230,000 | 1.73 |
| 5. HSBC Nominees (Asing) Sdn Bhd Exempt An For Credit Suisse (SG BR-TST-ASING) | 162,259 | 1.22 |
| 6. HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (UK) | 151,666 | 1.14 |
| 7. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Smart Balanced Fund (4694-003) | 150,000 | 1.13 |
| 8. Wui Mee Ling | 132,600 | 1.00 |
| 9. Tang Geong Koang | 116,500 | 0.88 |
| 10. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee BHD For TMT Focus Fund (3951) | 100,000 | 0.75 |
| 11. TSI Films Limited | 97,263 | 0.73 |
| 12. CIMSEC Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd For Tay Tong Tai | 80,600 | 0.61 |
| 13. Yeoh Tiong Lay | 73,000 | 0.55 |
| 14. A.A. Anthony Securities Sdn Bhd IVT (CI001) | 63,600 | 0.48 |
| 15. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Badariah Binti Mimbar (888AF0561) | 60,100 | 0.45 |
| 16. Lee Youn-Tze @ Colin Lee | 60,000 | 0.45 |

THIRTY (30) LARGEST SHAREHOLDERS (ICULS) (CONTINUED)

as at 30 March 2007

| NAMES | HOLDINGS | |
|--------------------------------------------------------------------------------------------------------------------|-------------------|--------------|
| | NO. OF ICULS HELD | % |
| 17. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Growthpath 2015 (4587-003) | 58,500 | 0.44 |
| 18. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Mohammed Amin Bin Mahmud (MM1004) | 58,100 | 0.44 |
| 19. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For OSK-UOB Smart Income Fund (4694-004) | 53,700 | 0.40 |
| 20. Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chen Keng Fon @ Chin Keng Fan (473613) | 50,000 | 0.38 |
| 21. TCL Nominees (Asing) Sdn Bhd OCBC Securities Private Limited For Kwa Chui Lan | 50,000 | 0.38 |
| 22. CIMSEC Nominees (Asing) Sdn Bhd Exempt An For CIMB-GK Securities Pte Ltd (Retail Clients) | 39,176 | 0.30 |
| 23. Arif Bin Faruk | 37,300 | 0.28 |
| 24. EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Chow Mong Leng | 34,200 | 0.26 |
| 25. Law Thing Hing | 33,222 | 0.25 |
| 26. Low Keng Boon @ Lau Boon Sen | 30,000 | 0.23 |
| 27. UOBM Nominees (Tempatan) Sdn Bhd UOB Trustee (Malaysia) Bhd For Goldenlife Today | 30,000 | 0.23 |
| 28. YTL Power Generation Sdn Bhd | 29,900 | 0.23 |
| 29. Siew Yau Wai @ Siew Ah Why | 29,700 | 0.22 |
| 30. Ke-Zan Nominees (Tempatan) Sdn Bhd Kim Eng Securities Pte Ltd For Sulaiman Bin Bawi | 29,000 | 0.22 |
| Total | 7,085,431 | 53.43 |

ANALYSIS OF SHAREHOLDINGS

CONT'D

| | |
|----------------------------|--------------------------------|
| No. of warrant exercised | : 91,360,671 |
| No. of warrant outstanding | : 23,639,329 |
| Exercise period | : 31 July 2003 to 31 July 2008 |

DIRECTORS' SHAREHOLDINGS (ICULS)

as at 30 March 2007

None of the Directors of the Company have any direct or indirect interest in the warrant.

MEDIA PRIMA BERHAD (WARRANT)

Information on Substantial Shareholders (Excluding Bare Trustees)
as at 30 March 2007

| NAMES | TOTAL SHAREHOLDINGS | % |
|---------------------------------------------------------------------------------------------------------------------------|------------------------|-------|
| 1. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Capital Asset Management Sdn Bhd For Gabungan Kesturi Sdn Bhd | 11,999,723 | 50.76 |
| 2. HSBC Nominees (Asing) Sdn Bhd HSBC - FS For Arisaig Asean Fund Limited | 2,000,000 | 8.46 |
| 3. Toh Yew Keong | 1,266,000 | 5.36 |
| | 15,265,723 | 64.58 |

MEDIA PRIMA BERHAD (WARRANT)

DISTRIBUTION OF SHAREHOLDINGS (WARRANT)

as at 30 March 2007

| SIZE OF SHAREHOLDINGS | NO. OF WARRANT SHAREHOLDERS | % OF WARRANT SHAREHOLDERS | NO. OF WARRANT SHARES | % OF WARRANT SHARE CAPITAL |
|------------------------------------------|--------------------------------|------------------------------|--------------------------|-------------------------------|
| Less than 100 | 122 | 12.26 | 5,938 | 0.02 |
| 100 - 1,000 | 446 | 44.82 | 291,868 | 1.23 |
| 1,001 - 10,000 | 321 | 32.26 | 1,247,529 | 5.28 |
| 10,001 - 100,000 | 92 | 9.25 | 2,482,100 | 10.50 |
| 100,001 to less than 5% of issued shares | 11 | 1.11 | 4,346,171 | 18.39 |
| 5% and above of issued shares | 3 | 0.30 | 15,265,723 | 64.58 |
| | 995 | 100.00 | 23,639,329 | 100.00 |

THIRTY (30) LARGEST SHAREHOLDERS (WARRANT)

as at 30 March 2007

| NAMES | HOLDINGS | |
|------------------------------------------------------------------------------------------------------------------------|---------------------|-------|
| | NO. OF WARRANT HELD | % |
| 1. Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Capital Asset Management Sdn Bhd For Gabungan Kesturi Sdn Bhd | 11,999,723 | 50.76 |
| 2. HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Arisaig Asean Fund Limited | 2,000,000 | 8.46 |
| 3. Toh Yew Keong | 1,266,000 | 5.36 |
| 4. Wui Mee Ling | 927,400 | 3.92 |
| 5. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Assurance Malaysia Berhad | 900,200 | 3.81 |
| 6. Citigroup Nominees (Asing) Sdn Bhd CBHK PBGHK For Golden Millennium Worldwide Limited | 800,000 | 3.38 |
| 7. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong Siling (CEB) | 400,000 | 1.69 |
| 8. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Pacific S&P Global Stars Fund (5493-401) | 322,843 | 1.37 |
| 9. OSK Nominees (Tempatan) Sdn Berhad Pledged Securities Account For Ng Kok Hin | 274,600 | 1.16 |
| 10. Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Mohammed Amin Bin Mahmud (MM1004) | 231,000 | 0.98 |
| 11. Sai Yee @ Sia Say Yee | 155,000 | 0.66 |
| 12. Mayban Nominees (Tempatan) Sdn Bhd AmanahRaya-JMF Asset Management Sdn Bhd For Universiti Malaya (C166-240075) | 126,700 | 0.54 |
| 13. Mayban Nominees (Asing) Sdn Bhd Pledged Securities Account For Teo Huay Siong | 108,000 | 0.46 |
| 14. AMMB Nominees (Tempatan) Sdn Bhd AmTrustee Berhad For Pacific Pearl Fund (5/1-9) | 100,428 | 0.42 |
| 15. Chin Chein Tet | 80,000 | 0.34 |
| 16. Teo Huay Siong | 75,000 | 0.32 |

ANALYSIS OF SHAREHOLDINGS

CONT'D

THIRTY (30) LARGEST SHAREHOLDERS (WARRANT) (CONTINUED)

as at 30 March 2007

| NAMES | HOLDINGS | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------|
| | NO. OF WARRANT HELD | % |
| 17. Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Nicholas Tan Chye Seng (472363) | 73,000 | 0.31 |
| 18. Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Peng Heng | 68,000 | 0.29 |
| 19. Mayban Nominees (Tempatan) Sdn Bhd AmanahRaya-JMF Asset Management Sdn Bhd For Malaysian Leprosy Relief Association (C228-240105) | 60,800 | 0.26 |
| 20. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Saham Amanah Sabah (ACC2-940410) | 60,400 | 0.26 |
| 21. Mayban Securities Nominees (Asing) Sdn Bhd Pledged Securities Account For Huang, Ming-Li (REM 636-MARGIN) | 58,500 | 0.25 |
| 22. Mazlan Bin Muhamed | 57,000 | 0.24 |
| 23. Cheong Chong Kong @ Chong Cheong Kin | 55,000 | 0.23 |
| 24. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Ng Siew Loon (SAM-005) | 50,000 | 0.21 |
| 25. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Leong Yew Mun (SAM-033) | 50,000 | 0.21 |
| 26. Mayban Nominees (Tempatan) Sdn Bhd AmanahRaya-JMF Asset Management Sdn Bhd For Perbadanan Kemajuan Negeri Negeri Sembilan (C405-250500) | 50,000 | 0.21 |
| 27. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Kam Lang Fatt @ Kim Leng Fatt (4132 - 025) | 50,000 | 0.21 |
| 28. Tan Poh Hwa | 45,500 | 0.19 |
| 29. Kou Hong Developements Sdn Bhd | 45,000 | 0.19 |
| 30. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Gan Ai Ring (SAM-006) | 45,000 | 0.19 |
| Total | 20,535,094 | 86.87 |

LIST OF PROPERTIES

as at 31 December 2006

| LOCATION | TYPE | TENURE | DATE OF ACQUISITION | AREA | DESCRIPTION | APPROXIMATE AGE OF BUILDING (YEARS) | NET BOOK VALUE (RM) |
|-------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------|---------------------|----------------------------------------------------|--------------------------------------------|-------------------------------------|---------------------|
| Country Heights The Mines Resort City 43300 Seri Kembangan Selangor | Leasehold | 99 years Expiry : 2091 | 5-May-01 | 14,863 sq ft | Bungalow house including furniture | 9 | 2,715,495 |
| Lot 2494 Mukim Peringat Daerah Peringat Kampung Parit Kota Bharu, Kelantan | Freehold | – | 16-Aug-87 | 0.7039 ha | Television Transmission Station | 19 | 180,655 |
| P.T. 4991, Jalan 9/27A Section 5, Wangsa Maju 53300 Kuala Lumpur | Leasehold | 99 years Expiry : 2089 | 21-Sep-90 | 8.0937 ha | TV3 Complex | 9 | 58,660,442 |
| Lot 374, Block 12 Miri Concession Land District KM 3, Jalan Miri-Bintulu Miri, Sarawak | Leasehold | 60 years Expiry : 2053 | 8-Apr-93 | 0.4815 ha | Television Transmission Station | 14 | 110,339 |
| Pandan Ville Condominium Block B Jalan Pandan Indah 1/16 Pandan Indah 55100 Kuala Lumpur | Leasehold | 99 years Expiry : 2091 | 1-Oct-01 | 8 units x 1,587 sq ft | Condominium | 10 | 1,181,595 |
| Lot 340 Jalan Bangsar Utama 3 Off Jalan Maarof 59100 Kuala Lumpur | Leasehold | 99 years Expiry : 2085 | 21-Aug-96 | 8,860 sq ft | Commercial Building | 16 | 1,284,895 |
| Pangsapuri Greenpark Block B, Jalan Awan Pintal Pangsapuri Taman Hijau 58200 Kuala Lumpur | Freehold | – | 25-Jun-96 | 5 units x 1,232 sq ft | Condominium | 8 | 872,470 |
| Sri Intan Condominium No. 2, Jalan Terolak 6 Off Jalan Batu 5 Jalan Ipoh 51200 Kuala Lumpur | Freehold | – | 21-Aug-96 | 2 units x 206 sq metre | Condominium | 9 | 527,057 |
| Commerce Square Batu 10 Jalan Kelang Lama SS8/1 Petaling Jaya Selatan Mukim Damansara Petaling, Selangor | Leasehold | 99 years Expiry : 2091 | 30-May-01 | 1 unit x 2,963 sq ft 1 unit x 3,130 sq ft | Commercial Building Commercial Building | 8 8 | 796,215 |

LIST OF PROPERTIES

as at 31 December 2006
CONT'D

| LOCATION | TYPE | TENURE | DATE OF ACQUISITION | AREA | DESCRIPTION | APPROXIMATE AGE OF BUILDING (YEARS) | NET BOOK VALUE (RM) |
|-----------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------|---------------------|--------------------------|------------------------|-------------------------------------|---------------------|
| Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor, Selangor | Freehold | – | 27-Jul-99 | 1 unit x 43,597 sq ft | Residential Land | 7 | 176,000 |
| Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor, Selangor | Freehold | – | 27-Jul-99 | 1 unit x 53,561 sq ft | Residential Land | 7 | 216,000 |
| Lembah Beringin PIA/S14-60 Mukim Sungai Gumut Daerah Hulu Selangor, Selangor | Freehold | – | 21-Sep-04 | 1 unit x 10,934 sq ft | Residential Land | 2 | 110,000 |
| Lembah Beringin PIA/S14-60 Mukim Sungai Gumut Daerah Hulu Selangor, Selangor | Freehold | – | 21-Sep-04 | 1 unit x 10,955 sq ft | Residential Land | 2 | 110,000 |
| Putrajaya Precinct 8 Phase 5A Unit C-3A-3A Level 4 (3rd Floor), Block C Pusat Pentadbiran Kerajaan Persekutuan Putrajaya | Freehold | – | 22-Dec-00 | 8,981.8 sq metres | Commercial Building | 6 | 129,029 |
| Unit No. 102 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor | Freehold | – | 14-May-04 | 942 sq ft | Apartment | 2 | 91,344 |
| Lot No. 76 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor | Freehold | – | 14-May-04 | 1,650 sq ft | Commercial Building | 2 | 462,662 |
| Summerset Resort Unit No : D120 | Leasehold | 99 years Expiry : 2094 | 12-Dec-02 | 1,455 sq ft | Bungalow holiday | 4 | 320,000 |
| Unit No : D124 | | | | 1,455 sq ft | Bungalow holiday | 4 | 360,000 |
| Unit No : GS-01-11 | | | | 377 sq ft | Studio | 4 | 150,000 |
| Unit No : D108 Mukim Rompin Daerah Rompin Negeri Pahang | | | 4-May-04 | 1,500 sq ft | Bungalow holiday | 2 | 360,000 |

| LOCATION | TYPE | TENURE | DATE OF ACQUISITION | AREA | DESCRIPTION | APPROXIMATE AGE OF BUILDING (YEARS) | NET BOOK VALUE (RM) |
|--------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------|---------------------|-------------------------|--------------------------|-------------------------------------|---------------------|
| Lot 2B-4-20 & 2B-4-21 Kompleks Tun Abdul Razak Geogetown, Penang | Leasehold | 99 years Expiry : 2093 | 31-May-95 | 7,316 sq ft | Cineplex | 11 | 1,597,359 |
| Damai Laut Holiday Apartments Lot F2-01-03A & Lot F2-GF-03A Jalan Titi Panjang 32200 Lumut Perak. | Leasehold | 99 years Expiry : 2098 | 5-Aug-97 | 2 lots x 981 sq ft | Apartment | 8 | 340,000 |
| Kawasan Perniagaan Permatang Rawa Jalan Permatang Rawa 1 14000 Bukit Mertajam Pulau Pinang | Freehold | – | 29-Apr-97 | 5 lots x 5,092 sq ft | Commercial building | 10 | 1,530,000 |
| Lot No. 2.30 | Leasehold | 99 years Expiry : 2093 | 15-Sep-04 | 603.88 sq ft | Commercial building | 2 | 230,000 |
| Lot No. 2.31 | Leasehold | 99 years Expiry : 2093 | 15-Sep-04 | 603.88 sq ft | Commercial building | 2 | 230,000 |
| Lot No. 2.32 | Leasehold | 99 years Expiry : 2093 | 15-Sep-04 | 596.99 sq ft | Commercial building | 2 | 230,000 |
| Summit Centre Shopping Complex Mines Wonderland Seri Kembangan Petaling, Selangor | | | | | | | |
| Lot No. 2344/45 Mukim of Jeram Selangor | Freehold | – | 9-Aug-06 | 4,292 sq ft | Double storey terrace | 1 | 294,888 |
| Lot 159 & 160 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenamrie Industrial Park 40150 Shah Alam Selangor | Freehold | – | 18-Mar-97 | 80,063 sq ft | Commercial land | – | 6,800,000 |
| No 7/9 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenamrie Industrial Park 40150 Shah Alam Selangor | Freehold | – | – | 7,562 sq ft | Commercial building | 10 | 22,642,632 |

GROUP DIRECTORY

MEDIA PRIMA BERHAD

Sri Pentas
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 6333
Fax : +603 7726 1367
Email: communications@mediaprima.com.my
Website: <http://www.mediaprima.com.my>

SISTEM TELEVISYEN MALAYSIA BERHAD

Sri Pentas, Bandar Utama
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
(P.O Box 11124, 50736 Kuala Lumpur)
Tel : +603 7726 6333
Fax : +603 7727 8455
Email: enquiries@tv3.com.my
Website: <http://www.tv3.com.my>

GRAND BRILLIANCE SDN BHD

Sri Pentas, 3rd Floor, North Wing
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 6333
Fax : +603 7725 7324
Email: gbsbsales@gbsb.com.my
Website: <http://www.gbsb.com.my>

TIGA EVENTS SDN BHD

Sri Pentas, 3rd Floor, North Wing
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 6333
Fax : +603 7726 0649

BIG TREE OUTDOOR SDN BHD

Lot G.1 Ground Floor, Menara Lien Hoe
No. 8 Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 7880 9988
Fax : +603 7880 8989
Website: <http://www.bigtreeoutdoor.com>

CH-9 MEDIA SDN BHD

Sri Pentas, 3rd Floor, South Wing
No.3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7985 8360
Fax : +603 7952 7819 / 7809
Website: <http://www.tv9.com.my>

NATSEVEN TV SDN BHD

No.7, Jalan Jurubina U1/18
Hicom-Glenmarie Industrial Park
40000 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel : +603 5569 1777
Fax : +603 5569 5777
Email: feedback@ntv7.com.my
Website: <http://www.ntv7.com.my>

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Website: <http://www.nstp.com.my>

GAMA MEDIA INTERNATIONAL (BVI) LIMITED

12th Road Kanda-Accra
Opposite the French Embassy, Box M83
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METROPOLITAN TV SDN BHD

Sri Pentas, 3rd Floor, South Wing
No. 3 Persiaran Bandar Utama
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47800 Petaling
Selangor Darul Ehsan
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Tel : +603 7728 8282
Fax : +603 7726 8282
Website: <http://www.8tv.com.my>

PROXY FORM

(Company No: 532975 A)
(Incorporated in Malaysia)



I/We (Full Name in Capital Letters) ■

of (Full Address) ■

being a member/members of **Media Prima Berhad** hereby appoint *The Chairman of the Meeting or (Full Name) ■

of (Full Address) ■

or failing whom (Full Name) ■

of (Full Address) ■

as my/our proxy to attend and vote for me/us on my/our behalf at the Sixth (6th) Annual General Meeting of the Company to be held on Friday, 18 May 2007 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" on the Resolutions below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

| No. | Resolution | For | Against |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1 | ■ To receive and adopt the Statutory Financial Statements To re-elect the following Directors under Articles 101 and 102:- | | |
| 2 | ■ Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak | | |
| 3 | ■ Shahril Ridza bin Ridzuan To re-elect the following Directors under Articles 106:- | | |
| 4 | ■ Dato' Ahmad Farid bin Ridzuan | | |
| 5 | ■ Datuk Hj Kamarulzaman bin Hj Zainal | | |
| 6 | ■ Dato' Seri Mohamed Jawhar | | |
| 7 | ■ To approve a final dividend of 3.5 sen ordinary share less 27% income tax for the financial year ended 31 December 2006 | | |
| 8 | ■ To approve the Directors' fees of RM193,590.00 for the financial year ended 31 December 2006 | | |
| 9 | ■ To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorize the Directors to fix their remuneration AS SPECIAL BUSINESS:- ORDINARY RESOLUTIONS | | |
| 10 | ■ Directors Authority pursuant to Section 132D | | |
| 11 | ■ Proposed Renewal of Share Buy-Back Authority SPECIAL RESOLUTION | | |
| 12 | ■ Proposed Amendments to the Articles of Association | | |

Dated this _____ day of _____ 2007

Number of shares held _____

* Delete if not applicable

Signature of Shareholder

Notes:-

- 1 A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- 2 The Proxy Form must be signed by the appointor or his attorney duly authorized in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorized in writing or by an officer on behalf of the corporation.
- 3 The instrument appointing the proxy must be deposited at the Registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

**Resolution 10

The proposed Resolution 10 if passed, will empower the Directors to issue shares of the Company up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The rationale for this resolution is to save cost and time for convening a general meeting.

**Resolution 11

Please refer to the Statement to Shareholders dated 24 April 2007 for further information.

**Resolution 12

The Special Resolution proposed, if passed, will render the Articles of Association of the Company to be in compliance with the amendments to the Listing Requirement of Bursa Malaysia Securities Berhad and any prevailing laws, rules, regulations, order, guidelines and requirements of the relevant authorities.



MEDIA PRIMA BERHAD

c/o The Registrar
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

■ ■
STAMP
■ ■

APPENDIX I

The Articles of Association of Media Prima Berhad are proposed to be amended in the following manner, to be in compliance with the amendments to the Listing Requirement of Bursa Malaysia Securities Berhad: -

| ARTICLE | EXISTING PROVISIONS | AMENDED PROVISIONS (HIGHLIGHTED IN BOLD) |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To amend Article 2 | <p><u>Interpretation</u></p> <p>Central Depository – Malaysian Central Depository Sdn Bhd (165570-W)</p> <p>Listing Requirements – Listing Requirements of the Kuala Lumpur Stock Exchange including any amendments that may be made from time to time.</p> <p>Stock Exchange – Kuala Lumpur Stock Exchange and shall include any other stock exchanges on which the Company's shares may for the time being be listed.</p> | <p><u>Interpretation</u></p> <p>Central Depository – Bursa Malaysia Depository Sdn Bhd (165570-W)</p> <p>Listing Requirements – Listing Requirements of the Bursa Malaysia Securities Berhad including any amendments that may be made from time to time.</p> <p>Exchange – Bursa Malaysia Securities Berhad (635998-W) and shall include any other stock exchange on which the Company's shares may for the time being be listed.</p> |
| To amend Article 7 | <p><u>Issue of preference shares</u></p> <p>The total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and the Company shall not, unless with the consent of the existing Preference shareholders at a class meeting, issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.</p> | <p><u>Issue of preference shares</u></p> <p>The Company shall not, unless with the consent of the existing Preference shareholders at a class meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith.</p> |
| To amend Article 8 | <p><u>Rights of preference shareholders</u></p> <p>The holder of a preference share must be entitled to a right to vote in each of the following circumstances:-</p> <ol style="list-style-type: none"> when the dividend or part of the dividend on the share is in arrears for more than six (6) months; on a proposal to reduce the Company's share capital; on a proposal for the disposal of the whole of the Company's property, business and undertaking; on a proposal that affects rights attached to the share; on a proposal to wind up the Company; and during the winding up of the Company <p>The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.</p> <p>A holder of a preference share must be entitled to the same rights as a holder of any ordinary share in relation to receiving notices, reports and audited accounts, and attending meetings.</p> | <p><u>Rights of preference shareholders</u></p> <p>The holder of a preference share must be entitled to a right to vote in each of the following circumstances:-</p> <ol style="list-style-type: none"> when the dividend or part of the dividend on the share is in arrears for more than six (6) months; on a proposal to reduce the Company's share capital; on a proposal for the disposal of the whole of the Company's property, business and undertaking; on a proposal that affects rights attached to the share; on a proposal to wind up the Company; and during the winding up of the Company <p>Deleted</p> <p>A holder of a preference share must be entitled to the same rights as a holder of any ordinary share in relation to receiving notices, reports and audited accounts, and attending meetings.</p> |

APPENDIX I

| ARTICLE | EXISTING PROVISIONS | AMENDED PROVISIONS (HIGHLIGHTED IN BOLD) |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To amend Article 60 | <p><u>Notice of meeting</u></p> <p>Subject to provisions of the Act and agreements for shorter notice, notices shall be given to all members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of General Meetings of the Company) at least fourteen (14) days' before the meeting or at least twenty-one (21) days' before the meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Notice of every General Meeting of the Company shall be given to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where special resolution is proposed or where it is the Annual General Meeting, of every such meeting shall also be given by advertisement in a daily newspaper circulating in Malaysia and in writing to the each Stock Exchange upon which the Company is listed.</p> | <p><u>Notice of meeting</u></p> <p>Subject to provisions of the Act and agreements for shorter notice, notices shall be given to all members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of General Meetings of the Company) at least fourteen (14) days' before the meeting or at least twenty-one (21) days' before the meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Notice of every General Meeting of the Company shall be given to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where special resolution is proposed or where it is the Annual General Meeting, of every such meeting shall also be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed including the Bursa Securities.</p> |
| To amend Article 62 (b) | <p><u>Record of Depositors</u></p> <p>(b) The Company shall also request the Central Depository in accordance with the Rules, to issue a Record of Depositors as at a date not less than three (3) market days before the General Meeting (hereinafter referred as "the General Meeting of Record of Depositors")</p> | <p><u>Record of Depositors</u></p> <p>(b) The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the general meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p> |
| To delete Article 88 | <p><u>Natural person</u></p> <p>No one other than a natural person shall be a Director of the Company.</p> | <p><u>Natural person</u></p> <p>Deleted</p> |

| ARTICLE | EXISTING PROVISIONS | AMENDED PROVISIONS (HIGHLIGHTED IN BOLD) |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| To amend Article 100 | <p data-bbox="391 517 679 539"><u>Vacation of office of Director</u></p> <p data-bbox="391 577 927 633">The office of a Director shall be vacated in any of the following events, namely:-</p> <ul data-bbox="391 636 927 1077" style="list-style-type: none"> <li data-bbox="391 636 927 692">(a) if he becomes prohibited by law from acting as a Director; <li data-bbox="391 694 927 813">(b) if (not being a Managing Director or Managing Directors or Executive Directors holding office as such for a fixed term) he resigns by writing under his hand left at the Office; <li data-bbox="391 815 927 871">(c) if he be removed by the Company in General Meeting pursuant to Article 105 of these Articles; <li data-bbox="391 873 927 902">(d) if he becomes unsound mind; <li data-bbox="391 931 927 960">(e) if he becomes bankrupt; or <li data-bbox="391 963 927 1077">(f) if he is absent from more than fifty (50) percent of the total Board of Directors' Meetings held during a financial year unless an exemption or waiver is obtained from the Stock Exchange. | <p data-bbox="962 517 1251 539"><u>Vacation of office of Director</u></p> <p data-bbox="962 577 1503 633">The office of a Director shall be vacated in any of the following events, namely:-</p> <ul data-bbox="962 636 1503 931" style="list-style-type: none"> <li data-bbox="962 636 1503 692">(a) if he becomes prohibited by law from acting as a Director; <li data-bbox="962 694 1503 813">(b) if (not being a Managing Director or Managing Directors or Executive Directors holding office as such for a fixed term) he resigns by writing under his hand left at the Office; <li data-bbox="962 815 1503 871">(c) if he be removed by the Company in General Meeting pursuant to Article 105 of these Articles; <li data-bbox="962 873 1503 931">(d) if he becomes unsound mind; or bankrupt during his term of office. <p data-bbox="962 934 1042 960">Deleted</p> <p data-bbox="962 963 1042 987">Deleted</p> |
| To amend Article 147 | <p data-bbox="391 1115 879 1171"><u>Profit and loss accounts to be made up and laid before the Company</u></p> <p data-bbox="391 1205 927 1883">A copy of every financial statements which is to laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for receipt of notice of the meeting pursuant to Article 60 of these Articles) be sent to every member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act, the Central Depositories Act, the Rules of Central Depository or of these Articles; provided that these Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any member to whom a copy of the documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document as may be required shall at the same time be forwarded to each Stock Exchange upon which the Company is listed.</p> | <p data-bbox="962 1115 1450 1171"><u>Profit and loss accounts to be made up and laid before the Company</u></p> <p data-bbox="962 1205 1503 1973">A copy of every financial statements which is to laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report, in printed form or in CD-ROM form or in such other form of electronic media or any combination thereof shall not less than twenty-one (21) days before the date of the meeting (or such shorter period as may be agreed in any year for receipt of notice of the meeting pursuant to Article 60 of these Articles) be sent to every member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act, the Central Depositories Act, the Rules of Central Depository or of these Articles; provided that these Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware, but any member to whom a copy of the documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document as may be required shall at the same time be forwarded to each Bursa Securities upon which the Company is listed.</p> |
| No provision | – | Upon incorporating the abovementioned amendments into the Articles of Association, to renumber the Articles accordingly. |

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