

# financial statements





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## directors' report

The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

### PRINCIPAL ACTIVITIES

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

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, 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. The Group commenced its activities in the provision of advertising space and related production works upon the completion of acquisition of the subsidiaries in the current financial year as disclosed in Note 39 to the financial statements.

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

### FINANCIAL RESULTS

|  | Group<br>RM'000 | Company<br>RM'000 |
|--|-----------------|-------------------|
| Profit after taxation                    | 117,440         | 93,080            |
| Minority interests                       | -               | -                 |
| <b>Net profit for the financial year</b> | <b>117,440</b>  | <b>93,080</b>     |

### DIVIDENDS

The dividends paid or declared since 31 December 2006 were as follows:

|  | RM'000        |
|--|---------------|
| In respect of the financial year ended 31 December 2006, a final dividend of 3.5 sen gross per ordinary share, less income tax of 27%, paid on 15 August 2007:                             |               |
| - as shown in the Directors' report of that year, dividends on 763,852,370 ordinary shares   | 19,517        |
| - dividends on additional 62,153,286 ordinary shares issued subsequent to 31 December 2007 up to the date of book closure on 31 July 2007 due to conversion of debt and equity instruments | 1,588         |
|  | <b>21,105</b> |

The Directors had on 28 February 2008 recommended the payment of a final dividend of 9.3 sen gross per ordinary share, less income tax at 26%, amounting to RM57,964,151 which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 18 July 2008 to shareholders registered on the Company's Register of Members at the close of business on 30 June 2008.

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES

During the financial year, 78,330,884 new ordinary shares of RM1.00 each were issued by the Company comprising:

- a 3,097,860 ordinary shares of RM1.00 each through the conversion of 4,646,797 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 RM1,549,387 has been credited to the Share Premium account.
- b 18,599,995 ordinary shares of RM1.00 each arising from the exercise of 18,599,995 Warrants of RM0.10 each at an exercise price of RM1.10 per Warrant. The premium arising from the exercise of Warrants of RM3,704,099, including the transfer of proceeds from issuance of Warrants of RM1,860,000 from warrants reserve, has been credited to the Share Premium account.
- c 18,061,600 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' share option Scheme ("ESOS") at an exercise price of RM1.46, RM1.55 and RM2.23 per share. The premium arising from the exercise of ESOS of RM10,391,384 has been credited to the Share Premium account.
- d 38,571,429 ordinary shares of RM1.00 each pursuant to the acquisition of Big Tree Outdoor Sdn. Bhd. ("BTO"). The premium arising from the issuance of ordinary shares of RM55,928,571 has been credited to the Share Premium account.

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

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

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

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

The Company has been granted an exemption by the Companies Commission of Malaysia via a letter dated 3 March 2008 from having to disclose in this Report the name of the persons to whom options have been granted during the year and details of their holdings pursuant to Section 169 (11) of the Companies Act, 1965 except for information on employees who were granted options representing 600,000 ordinary shares and above.

There were no persons who were granted options representing 600,000 ordinary shares and above during the financial year.

## directors' report (cont'd)

### DIRECTORS

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

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  
 Dato' Sri Ahmad Farid Ridzuan  
 Datuk Kamarulzaman Hj Zainal  
 Dato' Abdul Kadir Mohd Deen (Appointed on 29 May 2007)

In accordance with Article 106 of the Company's Articles of Association, Dato' Abdul Kadir Mohd Deen, who was appointed during the financial year, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

In accordance with Articles 101 and 102 of the Company's Articles of Association, Tan Sri Lee Lam Thye, Abdul Rahman Ahmad and Dato' Sri Ahmad Farid 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 the Director is a member, or with a company in which the Director has a substantial financial interest.

### DIRECTORS' INTERESTS IN SHARES

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

|                               | Number of ordinary shares of RM1.00 each |                   |                   | As at<br>31.12.2007<br>'000 |
|-------------------------------|--|-------------------|-------------------|-----------------------------|
|                               | As at<br>1.1.2007<br>'000                | Additions<br>'000 | Disposals<br>'000 |                             |
| Abdul Rahman Ahmad            | –  | 1,500             | (900)             | 600                         |
| Dato' Sri Ahmad Farid Ridzuan | 600                                      | 200               | (610)             | 190                         |
| Datuk Kamarulzaman Hj Zainal  | 100                                      | 700               | (600)             | 200                         |

**DIRECTORS' INTERESTS IN SHARES (cont'd)**

|                               | Number of options over ordinary shares of RM1.00 each |                 |                   | As at<br>31.12.2007<br>'000 |
|-------------------------------|---|-----------------|-------------------|-----------------------------|
|                               | As at<br>1.1.2007<br>'000                             | Granted<br>'000 | Exercised<br>'000 |                             |
| Abdul Rahman Ahmad            | 1,500   | –               | (1,500)           | –                           |
| Dato' Sri Ahmad Farid Ridzuan | 550   | –               | (200)             | 350                         |
| Datuk Kamarulzaman Hj Zainal  | 700   | –               | (700)             | –                           |

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

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

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

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

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.

## directors' report (cont'd)

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

At the date of this report, the Directors are not aware of any circumstances 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 of the Company for the financial year in which this report is made.

### AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 7 March 2008.

**DATO' ABDUL MUTALIB BIN DATUK SERI MOHAMED RAZAK**  
CHAIRMAN

**ABDUL RAHMAN AHMAD**  
GROUP MANAGING DIRECTOR

# income statements

for the financial year ended 31 december 2007

|   | Note | Group            |                | Company         |                |
|---|------|------------------|----------------|-----------------|----------------|
|   |      | 2007<br>RM'000   | 2006<br>RM'000 | 2007<br>RM'000  | 2006<br>RM'000 |
| Revenue   | 2    | <b>691,339</b>   | 534,689        | <b>163,507</b>  | 26,821         |
| Other operating income  |      | <b>39,264</b>    | 23,043         | –               | –              |
| Finance income  | 3    | <b>1,195</b>     | 678            | –               | –              |
| Programmes, film rights and album production costs                            |      |                  |                |                 |                |
| - Amortisation  |      | <b>(179,650)</b> | (152,727)      | –               | –              |
| - Write off   |      | <b>(44)</b>      | (520)          | –               | –              |
| Prepaid programme and film rights written off                                 |      | –                | (2,680)        | –               | –              |
| Costs of production   |      | <b>(43,163)</b>  | (13,626)       | –               | –              |
| Employee benefits costs   | 4    | <b>(160,638)</b> | (124,419)      | <b>(10,601)</b> | (4,898)        |
| Advertising and promotion expenses  |      | <b>(22,577)</b>  | (19,180)       | <b>(1,099)</b>  | (229)          |
| Transmission expenses   |      | <b>(18,449)</b>  | (16,204)       | –               | –              |
| Repairs and maintenance   |      | <b>(12,774)</b>  | (12,653)       | <b>(16)</b>     | (17)           |
| Utilities   |      | <b>(13,020)</b>  | (11,667)       | <b>(38)</b>     | (35)           |
| Professional and consultancy fees   |      | <b>(7,609)</b>   | (4,265)        | <b>(1,116)</b>  | (784)          |
| Rental of premises  |      | <b>(9,449)</b>   | (9,472)        | –               | –              |
| Rental of transmission stations   |      | <b>(12,107)</b>  | (13,756)       | –               | –              |
| Depreciation of property, plant and equipment                                 |      | <b>(37,639)</b>  | (27,016)       | <b>(7)</b>      | (4)            |
| Loss on measurement of asset held-for-sale at fair value<br>less cost to sell | 32   | –                | (1,941)        | –               | –              |
| Depreciation of investment properties   |      | <b>(274)</b>     | (1,567)        | –               | –              |
| Amortisation of prepaid lease rentals   |      | <b>(827)</b>     | (225)          | –               | –              |
| Writeback of / (impairment losses) on assets                                  |      | <b>4,278</b>     | (2,165)        | –               | –              |
| Doubtful debts for trade and other receivables                                |      |                  |                |                 |                |
| - Allowances  |      | <b>(4,707)</b>   | (3,342)        | –               | –              |
| - Write back  |      | <b>447</b>       | 15,049         | –               | –              |
| Amortisation of intangibles   |      | <b>( 6,823)</b>  | –              | –               | –              |
| Other operating expenses  |      | <b>(47,513)</b>  | (36,171)       | <b>(3,642)</b>  | (2,106)        |
| Profit from operations  | 5    | <b>159,260</b>   | 119,863        | <b>146,988</b>  | 18,748         |
| Finance cost  | 3    | <b>(24,209)</b>  | (24,847)       | <b>(15,972)</b> | (12,833)       |
| Share of results of an associate  |      | <b>14,044</b>    | 10,635         | –               | –              |
| Profit before taxation  |      | <b>149,095</b>   | 105,651        | <b>131,016</b>  | 5,915          |
| Taxation  | 7    | <b>(31,655)</b>  | (22,657)       | <b>(37,936)</b> | (1,992)        |
| Net profit for the financial year   |      | <b>117,440</b>   | 82,994         | <b>93,080</b>   | 3,923          |

## income statements (cont'd)

for the financial year ended 31 december 2007

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Attributable to:  |      |                |                |                |                |
| Equity holders of the Company   |      | 117,440        | 80,282         |                |                |
| Minority interests  |      | -              | 2,712          |                |                |
| <b>Net profit for the financial year</b>                                  |      | <b>117,440</b> | <b>82,994</b>  |                |                |
| Earnings per share attributable to ordinary equity holders of the Company |      |                |                |                |                |
| - basic (sen)   | 8    | 14.37          | 11.32          |                |                |
| - diluted (sen)   | 8    | 14.09          | 10.75          |                |                |

The accounting policies on pages 147 to 163 and the notes on pages 164 to 214 form an integral part of these financial statements.

## balance sheets

as at 31 december 2007

|   | Note | Group          |                | Company          |                  |
|---|------|----------------|----------------|------------------|------------------|
|   |      | 2007           | 2006           | 2007             | 2006             |
|   |      | RM'000         | RM'000         | RM'000           | RM'000           |
| <b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b> |      |                |                |                  |                  |
| Share capital   | 10   | 842,183        | 763,852        | 842,183          | 763,852          |
| Share premium   | 11   | 183,250        | 111,677        | 183,250          | 111,677          |
| Other reserves  | 12   | 30,132         | 28,165         | 1,791            | 2,385            |
| (Accumulated losses)/retained profits                                     | 14   | (495,952)      | (589,563)      | 116,932          | 44,957           |
|   |      | <b>559,613</b> | <b>314,131</b> | <b>1,144,156</b> | <b>922,871</b>   |
| <b>MINORITY INTERESTS</b>   |      | <b>1,922</b>   | <b>(632)</b>   | <b>-</b>         | <b>-</b>         |
| <b>TOTAL EQUITY</b>   |      | <b>561,535</b> | <b>313,499</b> | <b>1,144,156</b> | <b>922,871</b>   |
| <b>NON-CURRENT LIABILITIES</b>  |      |                |                |                  |                  |
| Irredeemable convertible unsecured loan stocks                            | 15   | 9,275          | 13,921         | 9,275            | 13,921           |
| Bank guaranteed medium term notes   | 16   | 162,351        | -              | 162,351          | -                |
| Redeemable unsecured loan stocks  | 18   | -              | 31,022         | -                | -                |
| Medium term notes   | 19   | -              | 70,000         | -                | 70,000           |
| Unsecured redeemable exchangeable bonds                                   | 20   | -              | 83,762         | -                | 83,762           |
| Interest bearing bank borrowings:   |      |                |                |                  |                  |
| - Term loans  | 21   | 56,865         | 70,000         | 56,000           | -                |
| Hire-purchase and lease creditors   | 22   | 8,972          | 9,134          | -                | -                |
| Trade and other payables  | 23   | -              | 18,732         | -                | 8,507            |
| Deferred tax liabilities  | 24   | 16,828         | 704            | -                | -                |
|   |      | <b>254,291</b> | <b>297,275</b> | <b>227,626</b>   | <b>176,190</b>   |
|   |      | <b>815,826</b> | <b>610,774</b> | <b>1,371,782</b> | <b>1,099,061</b> |
| <b>NON-CURRENT ASSETS</b>   |      |                |                |                  |                  |
| Property, plant and equipment   | 25   | 203,666        | 174,809        | 57               | 24               |
| Investment properties   | 26   | 15,049         | 10,361         | -                | -                |
| Prepaid lease rentals   | 27   | 9,206          | 3,610          | -                | -                |
| Subsidiaries  | 28   | -              | -              | 614,280          | 430,481          |
| Associates  | 29   | 332,482        | 325,303        | 399,651          | 399,651          |
| Investments   | 30   | 3,604          | 2,692          | -                | -                |
| Prepaid transmission station rentals                                      |      | 2,731          | 3,015          | -                | -                |
| Intangible assets   | 31   | 206,135        | 38,736         | -                | -                |
| Deferred tax assets   | 24   | 7,692          | 2,938          | -                | -                |
|   |      | <b>780,565</b> | <b>561,464</b> | <b>1,013,988</b> | <b>830,156</b>   |

## balance sheets (cont'd)

as at 31 december 2007

|                                   | Note | Group          |                | Company          |                  |
|-----------------------------------|------|----------------|----------------|------------------|------------------|
|                                   |      | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000   | 2006<br>RM'000   |
| <b>CURRENT ASSETS</b>             |      |                |                |                  |                  |
| Assets held-for-sale              | 32   | 58,660         | 58,660         | –                | –                |
| Inventories                       | 33   | 439            | 1,304          | –                | –                |
| Trade and other receivables       | 34   | 254,436        | 183,595        | 5,023            | 3,025            |
| Amounts due from subsidiaries     | 35   | –              | –              | 471,587          | 263,594          |
| Deposits, cash and bank balances  | 36   | 128,358        | 130,265        | 34,805           | 80,823           |
| Tax recoverable                   |      | 2,532          | –              | 1,925            | –                |
|                                   |      | <b>444,425</b> | <b>373,824</b> | <b>513,340</b>   | <b>347,442</b>   |
| <b>CURRENT LIABILITIES</b>        |      |                |                |                  |                  |
| Trade and other payables          | 23   | 271,355        | 223,459        | 41,546           | 29,927           |
| Amount due to an associate        | 37   | 7,242          | 1,243          | –                | –                |
| Redeemable unsecured loan stocks  | 18   | –              | 31,022         | –                | –                |
| Commercial papers                 | 16   | 100,000        | –              | 100,000          | –                |
| Interest bearing bank borrowings: |      |                |                |                  |                  |
| - Term loans                      | 21   | 16,510         | 48,823         | 14,000           | 48,490           |
| - Bank overdrafts                 | 21   | 705            | 783            | –                | –                |
| Current tax liabilities           |      | 13,352         | 19,184         | –                | 120              |
|                                   |      | <b>409,164</b> | <b>324,514</b> | <b>155,546</b>   | <b>78,537</b>    |
| <b>NET CURRENT ASSETS</b>         |      | <b>35,261</b>  | <b>49,310</b>  | <b>357,794</b>   | <b>268,905</b>   |
|                                   |      | <b>815,826</b> | <b>610,774</b> | <b>1,371,782</b> | <b>1,099,061</b> |
|                                   |      | <b>Sen</b>     | <b>Sen</b>     |                  |                  |
| <b>NET ASSETS PER SHARE</b>       |      | <b>0.66</b>    | <b>0.41</b>    |                  |                  |

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

The accounting policies on pages 147 to 163 and the notes on pages 164 to 214 form an integral part of these financial statements.

## statements of changes in equity

for the financial year ended 31 december 2007

| Group   | Note  | Attributable to equity holders of the Company |                |                |                    | Total          | Minority interests | Total equity   |
|---|-------|---|----------------|----------------|--------------------|----------------|--------------------|----------------|
|   |       | Share capital                                 | Share premium  | Other reserves | Accumulated losses |                |                    |                |
|   |       | RM'000  | RM'000         | RM'000         | RM'000             | RM'000         | RM'000             | RM'000         |
| <b>2007</b>   |       |   |                |                |                    |                |                    |                |
| At 1 January 2007   |       | 763,852                                       | 111,677        | 28,165         | (589,563)          | 314,131        | (632)              | 313,499        |
| Currency translation differences/income and expense recognised directly in equity |       | –   | –              | 1,857          | –                  | 1,857          | (170)              | 1,687          |
| Net profit for the financial year   |       | –   | –              | –              | 117,440            | 117,440        | –                  | 117,440        |
| Total recognised income and expense for the financial year                        |       | –   | –              | 1,857          | 117,440            | 119,297        | (170)              | 119,127        |
| Acquisition of additional interests in subsidiaries                               |       | –   | –              | –              | (2,724)            | (2,724)        | 2,724              | –              |
| Options granted to employees of the Group   | 10    | –   | –              | 1,266          | –                  | 1,266          | –                  | 1,266          |
| Issuance of shares arising from:  | 10,11 |   |                |                |                    |                |                    |                |
| - Conversion of ICULS   |       | 3,098   | 1,549          | –              | –                  | 4,647          | –                  | 4,647          |
| - Exercise of Warrants  |       | 18,600  | 3,704          | (1,860)        | –                  | 20,444         | –                  | 20,444         |
| - Exercise of ESOS  |       | 18,062  | 10,391         | –              | –                  | 28,453         | –                  | 28,453         |
| - Acquisition of subsidiaries   |       | 38,571  | 55,929         | –              | –                  | 94,500         | –                  | 94,500         |
| Reversal of deferred tax liabilities recognised directly in equity                |       | –   | –              | 704            | –                  | 704            | –                  | 704            |
| Final dividend paid for the financial year ended 31 December 2006                 | 9     | –   | –              | –              | (21,105)           | (21,105)       | –                  | (21,105)       |
| <b>At 31 December 2007</b>  |       | <b>842,183</b>                                | <b>183,250</b> | <b>30,132</b>  | <b>(495,952)</b>   | <b>559,613</b> | <b>1,922</b>       | <b>561,535</b> |
| <b>2006</b>   |       |   |                |                |                    |                |                    |                |
| At 1 January 2006   |       | 600,109                                       | 57,127         | 38,428         | (659,194)          | 36,470         | (3,229)            | 33,241         |
| Currency translation differences/income and expense recognised directly in equity |       | –   | –              | (1,249)        | –                  | (1,249)        | (115)              | (1,364)        |
| Net profit for the financial year   |       | –   | –              | –              | 80,282             | 80,282         | 2,712              | 82,994         |
| Total recognised income and expense for the financial year                        |       | –   | –              | (1,249)        | 80,282             | 79,033         | 2,597              | 81,630         |
| Issuance of shares arising from:  | 10,11 |   |                |                |                    |                |                    |                |
| - Conversion of ICULS   |       | 52,424  | 26,212         | –              | –                  | 78,636         | –                  | 78,636         |
| - Exercise of Warrants  |       | 90,144  | 18,029         | (9,014)        | –                  | 99,159         | –                  | 99,159         |
| - Exercise of ESOS  |       | 21,175  | 10,309         | –              | –                  | 31,484         | –                  | 31,484         |
| Final dividend paid for the financial year ended 31 December 2005                 | 9     | –   | –              | –              | (10,651)           | (10,651)       | –                  | (10,651)       |
| <b>At 31 December 2006</b>  |       | <b>763,852</b>                                | <b>111,677</b> | <b>28,165</b>  | <b>(589,563)</b>   | <b>314,131</b> | <b>(632)</b>       | <b>313,499</b> |

The accounting policies on pages 147 to 163 and the notes on pages 164 to 214 form an integral part of these financial statements.

## statements of changes in equity (cont'd)

for the financial year ended 31 december 2007

| Company   | Note  | Non-distributable       |                         |                          | Distributable               | Total equity<br>RM'000 |
|---|-------|-------------------------|-------------------------|--------------------------|-----------------------------|------------------------|
|   |       | Share capital<br>RM'000 | Share premium<br>RM'000 | Other reserves<br>RM'000 | Retained earnings<br>RM'000 |                        |
| <b>2007</b>   |       |                         |                         |                          |                             |                        |
| At 1 January 2007   |       | 763,852                 | 111,677                 | 2,385                    | 44,957                      | 922,871                |
| Net profit for the financial year                                 |       | -                       | -                       | -                        | 93,080                      | 93,080                 |
| Options granted to employees of the Group                         | 10    | -                       | -                       | 1,266                    | -                           | 1,266                  |
| Issuance of shares arising from:                                  | 10,11 |                         |                         |                          |                             |                        |
| - Conversion of ICULS   |       | 3,098                   | 1,549                   | -                        | -                           | 4,647                  |
| - Exercise of Warrants  |       | 18,600                  | 3,704                   | (1,860)                  | -                           | 20,444                 |
| - Exercise of ESOS  |       | 18,062                  | 10,391                  | -                        | -                           | 28,453                 |
| - Acquisition of subsidiaries                                     |       | 38,571                  | 55,929                  | -                        | -                           | 94,500                 |
| Final dividend paid for the financial year ended 31 December 2006 | 9     | -                       | -                       | -                        | (21,105)                    | (21,105)               |
| <b>At 31 December 2007</b>  |       | <b>842,183</b>          | <b>183,250</b>          | <b>1,791</b>             | <b>116,932</b>              | <b>1,144,156</b>       |
| <b>2006</b>   |       |                         |                         |                          |                             |                        |
| At 1 January 2006   |       | 600,109                 | 57,127                  | 11,399                   | 51,685                      | 720,320                |
| Net profit for the financial year                                 |       | -                       | -                       | -                        | 3,923                       | 3,923                  |
| Issuance of shares arising from:                                  | 10,11 |                         |                         |                          |                             |                        |
| - Conversion of ICULS   |       | 52,424                  | 26,212                  | -                        | -                           | 78,636                 |
| - Exercise of Warrants  |       | 90,144                  | 18,029                  | (9,014)                  | -                           | 99,159                 |
| - Exercise of ESOS  |       | 21,175                  | 10,309                  | -                        | -                           | 31,484                 |
| Final dividend paid for the financial year ended 31 December 2005 | 9     | -                       | -                       | -                        | (10,651)                    | (10,651)               |
| <b>At 31 December 2006</b>  |       | <b>763,852</b>          | <b>111,677</b>          | <b>2,385</b>             | <b>44,957</b>               | <b>922,871</b>         |

The accounting policies on pages 147 to 163 and the notes on pages 164 to 214 form an integral part of these financial statements.

# cash flow statements

for the financial year ended 31 december 2007

|  | Note   | Group            |          | Company          |          |
|--|--------|------------------|----------|------------------|----------|
|  |        | 2007             | 2006     | 2007             | 2006     |
|  |        | RM'000           | RM'000   | RM'000           | RM'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |        |                  |          |                  |          |
| Cash flows generated from operations                   | 40     | <b>158,185</b>   | 89,791   | <b>(86,884)</b>  | (16,741) |
| Income tax paid  |        | <b>(41,866)</b>  | (25,134) | <b>(428)</b>     | (124)    |
| Net cash flow from operating activities                |        | <b>116,319</b>   | 64,657   | <b>(87,312)</b>  | (16,865) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |        |                  |          |                  |          |
| Payment to scheme creditors of subsidiaries            |        | <b>(16,898)</b>  | (10,714) | <b>(16,898)</b>  | (10,714) |
| Acquisition of subsidiaries, net of cash acquired:     |        |                  |          |                  |          |
| - Big tree Outdoor Sdn Bhd ("BTO")                     | 39 (a) | <b>(46,683)</b>  | -        | <b>(64,620)</b>  | -        |
| - UPD Sdn Bhd ("UPD")                                  | 39 (b) | <b>(1,440)</b>   | -        | <b>(576)</b>     | -        |
| - The Right Channel Sdn Bhd ("TRC")                    | 39 (c) | <b>269</b>       | -        | <b>(138)</b>     | -        |
| Part payment of purchase consideration of subsidiaries |        | <b>(25,100)</b>  | (35,000) | <b>(25,100)</b>  | (35,000) |
| Property, plant and equipment                          |        |                  |          |                  |          |
| - Additions  |        | <b>(32,625)</b>  | (28,039) | <b>(40)</b>      | (21)     |
| - Proceeds from disposals                              |        | <b>959</b>       | 461      | -                | -        |
| Prepaid lease rentals                                  |        |                  |          |                  |          |
| - Additions  |        | <b>(6,995)</b>   | -        | -                | -        |
| Interest received                                      |        | <b>2,338</b>     | 2,048    | <b>1,377</b>     | 1,370    |
| Dividends received                                     |        | <b>6,916</b>     | 3,482    | <b>4,326</b>     | 3,385    |
| Net cash flow from investing activities                |        | <b>(119,259)</b> | (67,762) | <b>(101,669)</b> | (40,980) |

## cash flow statements (cont'd)

for the financial year ended 31 december 2007

|  | Note | Group          |                | Company        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |                |                |                |                |
| Repayment of :   |      |                |                |                |                |
| - Term loans   |      | (120,742)      | (19,697)       | (48,490)       | -              |
| - Commercial papers  |      | -              | (30,000)       | -              | (30,000)       |
| - Medium term notes  |      | (70,000)       | -              | (70,000)       | -              |
| - Unsecured redeemable exchangeable bond   |      | (85,000)       | -              | (85,000)       | -              |
| - Redeemable unsecured loan stocks   |      | (62,044)       | (26,590)       | -              | -              |
| - Hire-purchase and lease creditors  |      | (2,711)        | (1,137)        | -              | -              |
| - Bank borrowings  |      | -              | (3,000)        | -              | -              |
| Drawdown of bank borrowings  |      | 332,351        | 51,490         | 332,351        | 48,490         |
| Proceeds from issuance of ordinary shares arising from:                                |      |                |                |                |                |
| - Exercise of Warrants   |      | 20,444         | 99,159         | 20,444         | 99,159         |
| - Exercise of ESOS   |      | 28,453         | 31,484         | 28,453         | 31,484         |
| Restricted bank balances   |      | 6,932          | (4,041)        | 7,000          | (4,091)        |
| Interest paid  |      | (21,349)       | (24,317)       | (13,690)       | (12,833)       |
| Dividend paid to shareholders of the Company   |      | (21,105)       | (10,651)       | (21,105)       | (10,651)       |
| Net cash flow from financing activities  |      | 5,229          | 62,700         | 149,963        | 121,558        |
| <b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR</b> |      | 2,289          | 59,595         | (39,018)       | 63,713         |
| <b>FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES</b>                                |      | 2,814          | (106)          | -              | -              |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>                    |      | 121,509        | 62,020         | 73,823         | 10,110         |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>                          | 38   | 126,612        | 121,509        | 34,805         | 73,823         |

The accounting policies on pages 147 to 163 and the notes on pages 164 to 214 form an integral part of these financial statements.

# summary of significant accounting policies

for the financial year ended 31 december 2007

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

## A BASIS OF PREPARATION

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

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

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and 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 Note AD.

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

The new accounting standards effective for the Group's and for the Company's financial period beginning on or after 1 January 2007 are as follows:

- FRS 6 "Exploration for and Evaluation of Mineral Resources"
- FRS 117 "Leases"
- FRS 124 "Related Party Disclosures"
- Amendment to FRS 119<sub>2004</sub> Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

All changes in accounting policies have been made in accordance with the transition provisions in the respective standards and amendments to published standards.

FRS 6 is not relevant to the Group's and the Company's operations as the Group and the Company do not carry out exploration for and evaluation of mineral resources business. The amendment of FRS119<sub>2004</sub> is not relevant to the Group and the Company as the Group and the Company do not have any defined benefit plan.

A summary of the adoption of FRS 117 on the financial statements of the Group and of the Company is set out in Note 43 to the financial statements.

The adoption of FRS 124 has no significant impact on the financial statements of the Group and of the Company, other than the identification of related parties and some related party disclosures. The related party disclosures are set out in Note 42 to the financial statements.

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### A BASIS OF PREPARATION (cont'd)

- (b) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards, amendments to published standards and interpretations that are mandatory for the Group and for the Company financial periods beginning on or after 1 January 2008 or later periods, but which the Group and the Company has not early adopted, are as follows:

- FRS 112 "Income Taxes" (effective for accounting periods beginning on or after 1 July 2007). This revised standard removes the requirements that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances. The Group and the Company will apply this standard from financial periods beginning on 1 January 2008.
- Other revised standards (effective for accounting periods beginning on or after 1 July 2007) that have no significant changes compared to the original standards:
  - FRS 107 "Cash Flow Statements"
  - FRS 118 "Revenue"
  - FRS 137 "Provisions, Contingent liabilities and Contingent Assets"

The Group and the Company will apply these standards from financial periods beginning on 1 January 2008.

- Amendment to FRS 121 "The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operations" (effective for accounting periods beginning on or after 1 July 2007). This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in. The Group and the Company will apply this amendment from financial periods beginning on 1 January 2008.
- FRS 134 "Interim Financial Reporting" (effective for accounting periods beginning on or after 1 July 2007). The Group will apply this standard from financial periods beginning on 1 January 2008.
- FRS 139 "Financial Instruments : Recognition and Measurement" (effective date yet to be determined by Malaysian Accounting Standards Board). 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 and the Company will apply this standard when it becomes effective.
- IC Interpretation 1 "Changes in Existing Decommissioning, Restoration and Similar Liabilities" (effective for accounting periods beginning on or after 1 July 2007). This interpretation deals with changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate. The Group and the Company will apply this IC Interpretation from financial periods beginning on 1 January 2008.
- IC Interpretation 8 "Scope of FRS 2" (effective for accounting periods beginning on or after 1 July 2007). This interpretation clarifies that FRS 2 "Share-based Payment" applies even in the absence of specifically identifiable goods and services. The Group and the Company will apply this amendment from financial periods beginning on 1 January 2008.

With the exception of FRS 139, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial position of the Group and the Company in the year of initial application. As allowed under the transitional provision of FRS 139, the Group and the Company are exempted from having to disclose the possible impact of the application of this standard on the financial statements of the Group and the Company in the year of initial application.

## A BASIS OF PREPARATION (cont'd)

(c) Standards amendments to published standards and interpretations that are not yet effective and not relevant for the Group and for the Company

- FRS 111 “Construction contracts” (effective for accounting periods beginning on or after 1 July 2007) have no significant changes compared to the original standard. FRS 111 is not relevant to the Group’s and to the Company’s operations as the Group and the Company does not carry out construction business.
- FRS 120 “Accounting for Government Grants and Disclosure of Government Assistance” (effective for accounting periods beginning on or after 1 July 2007). This revised standard allows the alternative treatment of recording non-monetary government grant at nominal amount on initial recognition. FRS 120 is not relevant to the Group’s and to the Company’s operations as the Group and the Company does not have government grants or assistance.
- IC Interpretation 2 “Members’ Shares in Co-operative Entities and Similar Instruments” (effective for accounting periods beginning on or after 1 July 2007). This interpretation deals with liability or equity classification of financial instruments which give the holder the right to request redemption, but subject to limits on whether it will be redeemed. IC 2 is not relevant to the Group’s and to the Company’s operations as the Group and the Company do not have co-operative entities and related instruments.
- IC Interpretation 5 “Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds” (effective for accounting periods beginning on or after 1 July 2007). This interpretation deals with accounting by a contributor for its interests arising from decommissioning funds. IC 5 is not relevant to the Group’s and the Company’s operations as the Group and the Company does not have rehabilitation funds.
- IC Interpretation 6 “Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment” (effective for accounting periods beginning on or after 1 July 2007). This interpretation provides guidance on the recognition, in the financial statements of the producers, of liabilities for waste management under the European Union Directive in respect of sales of historical household equipment. IC 6 is not relevant to the Group’s and to the Company’s operations as the Group and the Company is not involved in waste management operations.
- IC Interpretation 7 “Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies” (effective for accounting periods beginning on or after 1 July 2007). This interpretation provides guidance on how to apply the requirements of FRS 129 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when that economy was not hyperinflationary in the prior period. IC 7 is not relevant to the Group and to the Company as the Group and the Company do not operate in a hyperinflationary economy.

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### 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<sup>2004</sup> "Business Combinations", consolidated on/after 1 April 2002 but with agreements dated before 1 January 2006 where:
  - the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
  - the minorities' share of net assets of the Group is not altered by the transfer
- Business combinations involving entities or businesses under common control with agreements dated on or after 1 January 2006.

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

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any 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 E 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.

## B BASIS OF CONSOLIDATION (cont'd)

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

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

## C TRANSACTIONS WITH MINORITY INTERESTS

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

## D ASSOCIATES

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

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

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.

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### E GOODWILL

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

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

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

### F INVESTMENTS

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

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.

### G PROPERTY, PLANT AND EQUIPMENT

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance 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. 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 | Office renovations     | 3 – 5 years  |
| Plant and machinery                      | 4 – 5 years   | Motor vehicles         | 5 years      |
| Broadcasting and transmission equipment  | 10 years      | Leasehold improvements | 3 – 15 years |
| Production equipment                     | 5 – 10 years  | Structures             | 5 – 10 years |
| Office equipment, furniture and fittings | 3 – 10 years  |                        |              |

## G PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

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

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

## H PREPAID LEASE RENTALS

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

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

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

Leasehold land is amortised over the remaining period of the respective leases ranging from 50 and 90 years.

## I INVESTMENT PROPERTIES

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

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

Depreciation on the other investment properties is calculated so as to write off the cost of the assets 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.

## J INTANGIBLE ASSETS - PROGRAMMES AND FILM RIGHTS

### (a) Programmes and film rights

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

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

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### J INTANGIBLE ASSETS - PROGRAMMES AND FILM RIGHTS (cont'd)

#### (a) Programmes and film rights (cont'd)

The amortisation rates are:

| Purchases with full rights/limited rights (2 runs or more)           | %   |
|--|-----|
| <b>Features</b>  |     |
| Upon first transmission  | 60  |
| Upon second transmission   | 40  |
| <b>Series</b>  |     |
| Upon first transmission  | 100 |
| <b>Purchases with limited rights (1 run) and in-house programmes</b> |     |
| 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 L on impairment of assets.

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

Acquired concession rights and outdoor advertising rights arose from the acquisition of subsidiaries during the financial year.

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

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

### K PREPAID EXPENDITURE

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

### L IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.

## **M NON-CURRENT 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.

## **N 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.

## **O 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) Albums**

Albums comprise mainly costs of production and related production overheads.

### **(iii) Other inventories**

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

## **P CASH AND CASH EQUIVALENTS**

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

## **Q LEASES**

### **(i) Finance leases**

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

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

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

### **(ii) Operating leases**

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

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### R INCOME TAXES

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

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

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

Deferred tax is 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.

### S EMPLOYEE BENEFITS

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

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

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.

## S EMPLOYEE BENEFITS (cont'd)

### (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.

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

## T PROVISIONS

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

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

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

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### U 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.

### V SHARE CAPITAL

Ordinary shares are classified as equity.

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

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

### W DEBT INSTRUMENTS

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

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

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.

### X 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.

## Y BORROWINGS

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

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

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

## Z INCOME RECOGNITION

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

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

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

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

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. Revenue from display rental income, advertisement production works and events are recognised in accordance with the terms of the sales contract which is principally over the period of the contract, on an accrual basis. Accordingly, all amounts received in advance are disclosed in the financial statements as deferred income.

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

## AA FOREIGN CURRENCIES

### (a) Functional and presentation currency

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

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### AA FOREIGN CURRENCIES (cont'd)

#### (b) Transactions and balances

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

#### (c) Group companies

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

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

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

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

### AB SEGMENT REPORTING

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

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

## AC FINANCIAL INSTRUMENTS

### (i) Description

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

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

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

### (ii) Financial instruments recognised on the balance sheet

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

### (iii) Fair value estimation for disclosure purposes

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

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

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

## AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### (a) Critical accounting estimates and assumptions

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

## summary of significant accounting policies (cont'd)

for the financial year ended 31 december 2007

### AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### (a) Critical accounting estimates and assumptions (cont'd)

##### (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 goodwill

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

For the purposes of assessing impairment, goodwill is allocated to cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

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

##### (iv) 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.

**AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)****(a) Critical accounting estimates and assumptions (cont'd)****(v) Assessment of impairment of property, plant and equipment**

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

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

**(vi) Contingent liabilities**

The Group has several material pending legal cases which are disclosed in Note 45 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.

**(vii) Share-based payment**

Equity settled share-based payment (share options) is measured at fair values at the date they are granted. The assumptions used in the valuation to determine these fair values are explained in Note 10 to these financial statements.

**(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 2007

## 1 GENERAL INFORMATION

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

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, 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. The Group commenced its activities in the provision of advertising space and related production works upon the completion of acquisition of the subsidiaries in the current financial year as disclosed in Note 39 to the financial statements.

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

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

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

## 2 REVENUE

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Advertising income   | 678,966        | 517,846        | –              | –              |
| Sale of programmes, videos, cable and laser rights,<br>and media revenue                 | 6,989          | 9,657          | –              | –              |
| Fees from provision of production services,<br>sponsorship and event management services | 4,241          | 5,816          | –              | –              |
| Fees from provision of procurement services  | –              | –              | 10,685         | 13,770         |
| Interest income (Note 3)   | 1,143          | 1,370          | 6,327          | 6,321          |
| Gross dividends from subsidiaries  | –              | –              | 137,091        | 2,028          |
| Gross dividends from an associate  | –              | –              | 9,404          | 4,702          |
|  | <b>691,339</b> | <b>534,689</b> | <b>163,507</b> | <b>26,821</b>  |

### 3 FINANCE INCOME AND COST

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Finance income:                                  |                |                |                |                |
| Interest income classified in                    |                |                |                |                |
| - Revenue (Note 2)                               | (1,143)        | (1,370)        | (6,327)        | (6,321)        |
| - Other interest income                          | (1,195)        | (678)          | -              | -              |
|  | <b>(2,338)</b> | <b>(2,048)</b> | <b>(6,327)</b> | <b>(6,321)</b> |
| Finance cost:                                    |                |                |                |                |
| Interest expenses on:                            |                |                |                |                |
| - Irredeemable convertible unsecured loan stocks | 209            | 910            | 209            | 910            |
| - Redeemable unsecured loan stocks               | 1,840          | 3,509          | -              | -              |
| - Medium term notes                              | 3,319          | 4,838          | 3,319          | 4,838          |
| - Bank guaranteed medium term notes              | 2,308          | -              | 2,308          | -              |
| - Commercial papers                              | 1,201          | 858            | 1,201          | 858            |
| - Term loans                                     | 7,929          | 7,802          | 3,478          | 829            |
| - Unsecured redeemable exchangeable bonds        | 4,935          | 5,398          | 4,935          | 5,398          |
| - Scheme creditors of subsidiaries (Note 23)     | 720            | 1,186          | -              | -              |
| - Bank guarantee fee                             | 522            | -              | 522            | -              |
| - Hire purchase interest                         | 1,086          | -              | -              | -              |
| - Overdraft                                      | 140            | 346            | -              | -              |
|  | <b>24,209</b>  | <b>24,847</b>  | <b>15,972</b>  | <b>12,833</b>  |
| Net finance cost                                 | <b>21,871</b>  | <b>22,799</b>  | <b>9,645</b>   | <b>6,512</b>   |

### 4 EMPLOYEE BENEFITS COSTS

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Wages, salaries and bonus                | 131,171        | 103,750        | 8,892          | 4,208          |
| Defined contribution retirement plan     | 17,361         | 13,289         | 1,411          | 539            |
| Termination benefits                     | 520            | 206            | -              | -              |
| Employees' share option scheme (Note 10) | 1,266          | -              | 71             | -              |
| Other employee benefits                  | 10,320         | 7,174          | 227            | 151            |
|  | <b>160,638</b> | <b>124,419</b> | <b>10,601</b>  | <b>4,898</b>   |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 5 PROFIT FROM OPERATIONS

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

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Royalties   | 2,883          | 2,635          | -              | -              |
| Auditors' remuneration:   |                |                |                |                |
| - statutory audit   | 683            | 470            | 50             | 40             |
| - fees for other services   | 159            | 319            | 159            | 319            |
| - fees for tax advisory and compliance work                         | 579            | 157            | 42             | 19             |
| Prepaid expenditure written off                                     | 284            | 284            | -              | -              |
| Amortisation of transaction fees – UREB                             | 1,238          | 262            | 1,238          | 262            |
| Property, plant and equipment written off                           | 305            | -              | -              | -              |
| Rental income from equipment  | (5,461)        | (7,190)        | -              | -              |
| Rental income from premises   | (193)          | (656)          | -              | -              |
| Reversal of allowance for diminution in value of quoted investments | (912)          | (204)          | -              | -              |
| Gross dividends from:   |                |                |                |                |
| - Quoted shares in Malaysia   | (5)            | (2)            | -              | -              |
| - Property and unit trusts  | (48)           | (133)          | -              | -              |
| Net exchange (gain)/loss:   |                |                |                |                |
| - Realised  | (1,636)        | (622)          | -              | 10             |
| - Unrealised  | (547)          | (463)          | -              | (106)          |
| Gain on disposal of property, plant and equipment                   | (199)          | (413)          | -              | -              |
| Loss on disposal of investment properties                           | 83             | -              | -              | -              |
| Write back of long outstanding accruals                             | (24,380)       | (6,756)        | -              | -              |

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM524,702 (2006: RM912,439).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM88,671 (2006: RM167,440).

### 6 DIRECTORS' REMUNERATION

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Non-executive Directors:                     |                |                |                |                |
| - Fees                                       | 490            | 374            | 272            | 194            |
| - Allowance                                  | 252            | 219            | 137            | 120            |
| - Defined contribution retirement plan       | 46             | 40             | 23             | 20             |
| - Bonus                                      | 98             | 60             | 73             | 45             |
| Executive Directors:                         |                |                |                |                |
| - Basic salaries and bonus                   | 2,438          | 1,928          | 1,023          | 550            |
| - Allowance                                  | 732            | 484            | 390            | 132            |
| - Defined contribution retirement plan       | 474            | 396            | 203            | 136            |
|  | 4,530          | 3,501          | 2,121          | 1,197          |
| Estimated monetary value of benefits-in-kind | 135            | 169            | 9              | 41             |

## 6 DIRECTORS' REMUNERATION (cont'd)

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

| Grant date                                       | Expiry date     | Exercise price<br>RM/share | Number of options over ordinary shares of RM1.00 each |                 |                   |                                   |
|--|-----------------|----------------------------|---|-----------------|-------------------|-----------------------------------|
|  |                 |                            | At<br>1 January<br>2007<br>'000                       | Granted<br>'000 | Exercised<br>'000 | At<br>31 December<br>2007<br>'000 |
| <b>Financial year ended<br/>31 December 2007</b> |                 |                            |   |                 |                   |                                   |
| 11 January 2005                                  | 10 January 2010 | 1.55                       | 1,500   | –               | (1,150)           | 350                               |
| 14 December 2005                                 | 10 January 2010 | 1.46                       | 1,250   | –               | (1,250)           | –                                 |
|  |                 |                            | 2,750   | –               | (2,400)           | 350                               |

| Grant date   | Expiry date     | Exercise price<br>RM/share | Number of options over ordinary shares of RM1.00 each |                 |                   |                                   |
|--|-----------------|----------------------------|---|-----------------|-------------------|-----------------------------------|
|  |                 |                            | At 1 January<br>2006/Date of<br>appointment<br>'000   | Granted<br>'000 | Exercised<br>'000 | At 31<br>December<br>2006<br>'000 |
| <b>Financial year ended<br/>31 December 2006</b>     |                 |                            |   |                 |                   |                                   |
| 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                             |
|  |                 |                            |   |                 | 2007<br>'000      | 2006<br>'000                      |
| Number of share options vested at balance sheet date |                 |                            |   |                 | 350               | 2,750                             |

## 7 TAXATION

|                        | Group             |                 | Company        |                |
|------------------------|-------------------|-----------------|----------------|----------------|
|                        | 2007<br>RM'000    | 2006<br>RM'000  | 2007<br>RM'000 | 2006<br>RM'000 |
| Current tax:           |                   |                 |                |                |
| - Malaysian tax        | 32,945            | 22,691          | 37,936         | 1,992          |
| - Foreign tax          | 848               | 484             | –              | –              |
| Deferred tax (Note 24) | 33,793<br>(2,138) | 23,175<br>(518) | 37,936<br>–    | 1,992<br>–     |
|                        | 31,655            | 22,657          | 37,936         | 1,992          |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 7 TAXATION (cont'd)

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Current tax:  |                |                |                |                |
| - current financial year                            | 40,263         | 31,146         | 37,675         | 1,992          |
| - Under/(over) accrual in prior financial years     | (6,470)        | (7,971)        | 261            | -              |
|   | <b>33,793</b>  | <b>23,175</b>  | <b>37,936</b>  | <b>1,992</b>   |
| Deferred tax:                                       |                |                |                |                |
| - origination and reversal of temporary differences | (2,246)        | (371)          | -              | -              |
| - change in tax rate                                | 108            | (147)          | -              | -              |
|   | <b>(2,138)</b> | <b>(518)</b>   | <b>-</b>       | <b>-</b>       |
|   | <b>31,655</b>  | <b>22,657</b>  | <b>37,936</b>  | <b>1,992</b>   |

Income tax is calculated at the statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the financial year. The statutory tax rate will be reduced to 26% from the current financial year's rate of 27% effective from year of assessment 2008 and to 25% effective from year of assessment 2009. The computation of deferred tax as at 31 December 2007 has reflected these changes.

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

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Profit before taxation   | 149,095        | 105,651        | 131,016        | 5,915          |
| Tax calculated at the Malaysian tax rate of 27% (2006: 28%)                              | 40,256         | 29,582         | 35,374         | 1,656          |
| Tax effects of:  |                |                |                |                |
| - expenses not deductible for tax purpose  | 11,780         | 7,076          | 2,301          | 336            |
| - Small and Medium Enterprises tax rate  | (133)          | -              | -              | -              |
| - income not subject to tax  | (2,662)        | -              | -              | -              |
| - temporary differences and unutilised tax losses not recognised                         | 4,339          | 7,300          | -              | -              |
| - utilisation of previously unrecognised temporary differences and unutilised tax losses | (11,860)       | (10,201)       | -              | -              |
| - share of results of an associate   | (3,791)        | (2,978)        | -              | -              |
| - under/(over) accruals of current tax in prior years                                    | (6,470)        | (7,971)        | 261            | -              |
| - others   | 196            | (151)          | -              | -              |
| Taxation   | <b>31,655</b>  | <b>22,657</b>  | <b>37,936</b>  | <b>1,992</b>   |

Included in income tax expense of the Group are tax savings amounting to RM1,997,523 (2006: RM107,666) from utilisation of current year tax losses.

## 8 EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share for the Company has been calculated by dividing the net profit attributable to ordinary equity holders of the Company for the financial year of RM117,440,000 (2006: RM80,282,000) by 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 817,212,000 (2006: 709,261,000).

|   | Group          |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| Net profit attributable to ordinary equity holders of the Company (RM'000)  | 117,440        | 80,282         |
| Weighted average number of ordinary shares in issue, adjusted for the potential ordinary shares of the mandatorily convertible instrument, ICULS ('000) | 817,212        | 709,261        |
| Basic earnings per share (sen)  | 14.37          | 11.32          |

### (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.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 8 EARNINGS PER SHARE (cont'd)

#### (b) Diluted earnings per share (cont'd)

|   | Group          |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| Net profit attributable to ordinary equity holders of the Company   | 117,440        | 80,282         |
| Weighted average number of ordinary shares in issue, adjusted for the potential ordinary shares of the mandatorily convertible instrument, ICULS ('000) | 817,212        | 709,261        |
| Adjustments for:  |                |                |
| - Exercise of Warrants ('000)   | 10,297         | 28,813         |
| - Exercise of ESOS ('000)   | 6,261          | 8,646          |
| Weighted average number of ordinary shares for diluted earnings per share ('000)  | 833,770        | 746,720        |
| Diluted earnings per share (sen)  | 14.09          | 10.75          |

### 9 DIVIDENDS

|   | 2007                               |                                     | 2006                               |                                     |
|---|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
|   | Gross dividend<br>per share<br>Sen | Amount of<br>net dividend<br>RM'000 | Gross dividend<br>per share<br>Sen | Amount of<br>net dividend<br>RM'000 |
| Final dividend less income tax of 27% (2006: 28%) | 3.5                                | 21,105                              | 2.0                                | 10,651                              |

At the forthcoming Annual General Meeting on 29 April 2008, a final dividend of 9.3 sen gross per ordinary share less income tax of 26% amounting to RM57,964,151 in respect of the financial year ended 31 December 2007 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2008 when approved by the shareholders.

### 10 SHARE CAPITAL

|                                  | Note | 2007<br>RM'000 | 2006<br>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                     |      | 763,852        | 600,109        |
| Issuance of shares arising from: |      |                |                |
| - Conversion of ICULS            | (a)  | 3,098          | 52,424         |
| - Exercise of Warrants           | (b)  | 18,600         | 90,144         |
| - Exercise of ESOS               | (c)  | 18,062         | 21,175         |
| - Acquisition of subsidiaries    | (d)  | 38,571         | -              |
| At 31 December                   |      | 842,183        | 763,852        |

## 10 SHARE CAPITAL (cont'd)

During the financial year, the Company increased its issued and fully paid-up share capital from RM763,852,370 to RM842,183,254 by way of the issuance of :

- (a) 3,097,860 (2006: 52,424,022) ordinary shares of RM1.00 each through the conversion of 4,646,797 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 RM1,549,387 (2006: 26,212,021) has been credited to the Share Premium account.
- (b) 18,599,995 (2006: 90,143,871) ordinary shares of RM1.00 each arising from the exercise of 18,599,995 Warrants of RM0.10 each at an exercise price of RM1.10 per Warrant. The premium arising from the exercise of Warrants of RM3,704,099 including the transfer of proceeds from issuance of Warrants of RM1,860,000 (2006: 18,028,774) from warrants reserve, has been credited to the Share Premium account.
- (c) 18,061,600 (2006: 21,175,400) ordinary shares of RM1.00 each pursuant to the exercise of ESOS at an exercise price of RM1.46, RM1.55 and RM2.23 per option. The premium arising from the exercise of ESOS of RM10,391,384 (2006: 10,308,978) has been credited to the Share Premium account.
- (d) 38,571,429 ordinary shares of RM1.00 each pursuant to the acquisition of Big Tree Outdoor Sdn. Bhd. ("BTO"). The premium arising from the issuance of ordinary shares of RM55,928,571 has been credited to the Share Premium account.

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

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

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

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 10 SHARE CAPITAL (cont'd)

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

| Grant date  | Expiry date     | Exercise price<br>RM/share | Number of options over ordinary shares of RM1.00 each |                 |                   |                |                           |
|---|-----------------|----------------------------|---|-----------------|-------------------|----------------|---------------------------|
|   |                 |                            | At 1<br>January<br>'000                               | Granted<br>'000 | Exercised<br>'000 | Lapsed<br>'000 | At 31<br>December<br>'000 |
| <b>Financial year ended<br/>31 December 2007</b>                                |                 |                            |   |                 |                   |                |                           |
| 11 January 2005   | 10 January 2010 | 1.55                       | 15,606  | –               | (10,159)          | –              | 5,447                     |
| 14 December 2005  | 10 January 2010 | 1.46                       | 7,966   | –               | (6,385)           | –              | 1,581                     |
| 28 February 2007  | 10 January 2010 | 2.23                       | –   | 4,819           | (1,518)           | –              | 3,301                     |
|   |                 |                            | 23,572  | 4,819           | (18,062)          | –              | 10,329                    |
| <b>Financial year ended<br/>31 December 2006</b>                                |                 |                            |   |                 |                   |                |                           |
| 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                    |
|   |                 |                            |   |                 |                   | <b>2007</b>    | <b>2006</b>               |
|   |                 |                            |   |                 |                   | <b>RM'000</b>  | <b>RM'000</b>             |
| Number of options over ordinary shares vested, as the end of the financial year |                 |                            |   |                 |                   | <b>10,329</b>  | <b>23,572</b>             |

The weighted average fair value of options granted during the year, determined using the binomial valuation model, was RM0.26 per option (2006: RMNil). The significant inputs into the model are as follows:

|                                     | <b>2007</b>      | <b>2006</b> |
|-------------------------------------|------------------|-------------|
| Valuation assumptions:              |                  |             |
| Expected volatility                 | <b>21.00 %</b>   | –           |
| Expected dividend yield             | <b>3.00 %</b>    | –           |
| Expected option life                | <b>1.5 years</b> | –           |
| Share price at date of grant        | <b>RM2.40</b>    | –           |
| Risk free interest rate (per annum) | <b>3.60%</b>     | –           |

The expected volatility is based on the statistical analysis of historical daily share prices over the previous 2 years.

The charges to the income statements arising from share-based payment during the financial year amounted to RM1,265,980 (2006: Nil) for the Group and RM70,928 (2006: Nil) for the Company (Note 4).

## 11 SHARE PREMIUM

|                               | Note   | Group and Company<br>2007<br>RM'000 | 2006<br>RM'000 |
|-------------------------------|--------|-------------------------------------|----------------|
| At 1 January                  |        | 111,677                             | 57,127         |
| Arising from:                 |        |                                     |                |
| - Conversion of ICULS         | 10 (a) | 1,549                               | 26,212         |
| - Exercise of Warrants        | 10 (b) | 3,704                               | 18,029         |
| - Exercise of ESOS            | 10 (c) | 10,391                              | 10,309         |
| - Acquisition of subsidiaries | 10 (d) | 55,929                              | -              |
| At 31 December                |        | 183,250                             | 111,677        |

## 12 OTHER RESERVES

| Group  | Revaluation<br>reserve<br>RM'000 | Exchange<br>fluctuation<br>reserve<br>RM'000 | Merger<br>reserve<br>(Note 13)<br>RM'000 | Warrants<br>reserve<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Total<br>RM'000 |
|--|----------------------------------|--|--|-------------------------------|--------------------------------------|-----------------|
| <b>2007</b>                                    |                                  |  |  |                               |                                      |                 |
| At 1 January 2007                              | 1,809                            | (2,366)                                      | 26,337                                   | 2,385                         | -                                    | 28,165          |
| Exercise of Warrants during the financial year | -                                | -  | -  | (1,860)                       | -                                    | (1,860)         |
| Options granted to employees of the Group      | -                                | -  | -  | -                             | 1,266                                | 1,266           |
| Reversal of deferred tax liabilities           | 704                              | -  | -  | -                             | -                                    | 704             |
| Currency translation differences               | (1,221)                          | 3,078  | -  | -                             | -                                    | 1,857           |
| At 31 December 2007                            | 1,292                            | 712  | 26,337                                   | 525                           | 1,266                                | 30,132          |
| <b>2006</b>                                    |                                  |  |  |                               |                                      |                 |
| 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          |
| <b>Company</b>                                 |                                  |  |  |                               |                                      |                 |
|  |                                  |  |  | Warrants<br>reserve<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Total<br>RM'000 |
| <b>2007</b>                                    |                                  |  |  |                               |                                      |                 |
| At 1 January 2007                              |                                  |  |  | 2,385                         | -                                    | 2,385           |
| Exercise of Warrants during the financial year |                                  |  |  | (1,860)                       | -                                    | (1,860)         |
| Options granted to employees of the Group      |                                  |  |  | -                             | 1,266                                | 1,266           |
| At 31 December 2007                            |                                  |  |  | 525                           | 1,266                                | 1,791           |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 12 OTHER RESERVES (cont'd)

| Company  | Warrants<br>reserve<br>RM'000 | Share<br>option<br>reserve<br>RM'000 | Total<br>RM'000 |
|--|-------------------------------|--------------------------------------|-----------------|
| 2006   |                               |                                      |                 |
| At 1 January 2006                              | 11,399                        | –                                    | 11,399          |
| Exercise of Warrants during the financial year | (9,014)                       | –                                    | (9,014)         |
| At 31 December 2006                            | 2,385                         | –                                    | 2,385           |

### 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<sup>2004</sup> "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

|   | Group<br>2007<br>RM'000 | 2006<br>RM'000 |
|---|-------------------------|----------------|
| Nominal value of shares issued            | (263,375)               | (263,375)      |
| Less:                                     |                         |                |
| Nominal value of shares in the subsidiary | 289,712                 | 289,712        |
| Merger reserve                            | 26,337                  | 26,337         |

### 14 (ACCUMULATED LOSSES)/RETAINED EARNINGS

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

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 (2006 : All) its retained earnings as at 31 December 2007.

### 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;

## 15 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (cont'd)

- (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, 4,646,797 (2006: 78,636,043) ICULS were converted into ordinary shares in the Company, as disclosed in Note 10 (a) to the financial statements. As at 31 December 2007, outstanding ICULS totalling RM9,274,536 (2006: RM13,921,333) have not been converted.

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

|  | Group and Company |        |
|--|-------------------|--------|
|  | 2007              | 2006   |
|  | RM'000            | RM'000 |
| <b>Current:</b>                                    |                   |        |
| CP (unsecured)                                     | 100,000           | –      |
| <b>Non-current:</b>                                |                   |        |
| 4-year 4.15% BGMTN (unsecured)                     | 70,000            | –      |
| 5-year 4.27% BGMTN (unsecured)                     | 100,000           | –      |
|  | 170,000           | –      |
| Less: Transaction costs                            | (8,196)           | –      |
|  | 161,804           | –      |
| Add: Accumulated amortisation of transaction costs | 547               | –      |
|  | 162,351           | –      |

On 7 September 2007, the Company issued Bank Guaranteed Medium Term Notes ("BGMTN") and Commercial Papers ("CP") of RM170 million and RM100 million respectively. The CP/BGMTN were constituted by separate Trust Deeds dated 23 August 2007 and 28 August 2007 respectively.

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

- (a) The face value of the BGMTN is RM170 million and the CP is RM100 million;
- (b) The CP are issued at a discount to face value of 3.95% per annum and shall be repayable at par;
- (c) The interest on the BGMTNs of RM70 million and RM100 million are 4.15% and 4.27% per annum respectively, payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the BGMTNs;
- (d) The tenure of BGMTN of RM70 million and RM100 million are 4 and 5 years from the date of issue;
- (e) The tenure of the CP is 7 years from the date of issue; and
- (f) The maturity date of the CP is between one (1) to twelve (12) months and the BGMTN is between twelve (12) to sixty (60) months.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 17 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, 18,599,995 (2006: 90,143,871) Warrants were exercised, as disclosed in Note 10 (b) to the financial statements. As at 31 December 2007, outstanding Warrants totalling RM524,413 (2006: RM2,384,413) have not been exercised.

### 18 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, the entire balance of the outstanding RULS was fully redeemed.

## 19 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 were 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 were secured by the Company’s entire shareholdings in STMB and a debt service reserve account of RM7,000,000. Upon the full settlement of the outstanding CP/MTN balance, the security has been discharged.

In the previous financial year, the Company fully repaid the CP of RM30 million.

During the financial year, the Company fully repaid the MTN of RM70 million.

## 20 UNSECURED REDEEMABLE EXCHANGEABLE BONDS (“UREB”)

|  | Group and Company |               |
|--|-------------------|---------------|
|  | 2007              | 2006          |
|  | RM’000            | RM’000        |
| 5-year 6.35% UREB                                  | 85,000            | 85,000        |
| Less: Transaction costs                            | (1,500)           | (1,500)       |
|  | <b>83,500</b>     | 83,500        |
| Add: Accumulated amortisation of transaction costs | 1,500             | 262           |
|  | <b>85,000</b>     | 83,762        |
| Less : Redemption of UREB                          | (85,000)          | –             |
|  | –                 | <b>83,762</b> |

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

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 20 UNSECURED REDEEMABLE EXCHANGEABLE BONDS ("UREB") (cont'd)

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.

During the financial year, the entire UREB balance was fully redeemed.

### 21 INTEREST BEARING BANK BORROWINGS

|                                       | Note | Group          |                | Company        |                |
|---------------------------------------|------|----------------|----------------|----------------|----------------|
|                                       |      | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>Current:</b>                       |      |                |                |                |                |
| Term loans (unsecured)                | (a)  | 14,000         | 48,490         | 14,000         | 48,490         |
| Term loans (secured)                  | (a)  | 2,510          | 333            | –              | –              |
| Bank overdrafts (unsecured) (Note 38) |      | 705            | 783            | –              | –              |
|                                       |      | <b>17,215</b>  | <b>49,606</b>  | <b>14,000</b>  | <b>48,490</b>  |
| <b>Non-current:</b>                   |      |                |                |                |                |
| Term loans (unsecured)                | (a)  | 56,865         | –              | 56,000         | –              |
| Term loans (secured)                  | (a)  | –              | 70,000         | –              | –              |
|                                       |      | <b>56,865</b>  | <b>70,000</b>  | <b>56,000</b>  | <b>–</b>       |
|                                       |      | <b>74,080</b>  | <b>119,606</b> | <b>70,000</b>  | <b>48,490</b>  |

## 21 INTEREST BEARING BANK BORROWINGS (cont'd)

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

|                  | Group          |                | Company        |                |
|------------------|----------------|----------------|----------------|----------------|
|                  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Ringgit Malaysia | 73,874         | 119,273        | 70,000         | 48,490         |
| Cedi             | 206            | 333            | –              | –              |
|                  | <b>74,080</b>  | <b>119,606</b> | <b>70,000</b>  | <b>48,490</b>  |

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

|                              | Group     |           | Company   |           |
|------------------------------|-----------|-----------|-----------|-----------|
|                              | 2007<br>% | 2006<br>% | 2007<br>% | 2006<br>% |
| For the financial year       |           |           |           |           |
| Term loans                   | 3.85      | 5.57      | 2.35      | 1.77      |
| Bank overdrafts              | 8.25      | 8.00      | *         | *         |
| As at the financial year end |           |           |           |           |
| Term loans                   | 5.12      | 7.43      | 5.48      | 6.08      |
| Bank overdrafts              | 8.25      | 8.00      | *         | *         |

\* Not applicable

### (a) Term loans

The term loans are repayable as follows:

|                            | Group          |                | Company        |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Unsecured                  |                |                |                |                |
| Current:                   |                |                |                |                |
| Repayable within 12 months | 14,000         | 48,490         | 14,000         | 48,490         |
| Non-current:               |                |                |                |                |
| Repayable after 12 months: |                |                |                |                |
| - between 2 and 5 years    | 56,865         | –              | 56,000         | –              |
|                            | <b>70,865</b>  | <b>48,490</b>  | <b>70,000</b>  | <b>48,490</b>  |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 21 INTEREST BEARING BANK BORROWINGS (cont'd)

#### (a) Term loans (cont'd)

|                            | Group          |                | Company        |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Secured:                   |                |                |                |                |
| Current:                   |                |                |                |                |
| Repayable within 12 months | 2,510          | 333            | -              | -              |
| Non-current:               |                |                |                |                |
| Repayable after 12 months: |                |                |                |                |
| - between 2 and 5 years    | -              | 70,000         | -              | -              |
|                            | 2,510          | 70,333         | -              | -              |
|                            | 73,375         | 118,823        | 70,000         | 48,490         |

The secured term loan of RM70 million was fully settled during the financial year.

The secured term loans as at the end of the previous financial year were secured over the property, plant and equipment of a subsidiary with a net book value of RM29.4 million (Note 25).

### 22 HIRE-PURCHASE AND LEASE CREDITORS

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

|  | Group          |                |
|--|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>Finance lease liabilities:</b>                  |                |                |
| Minimum lease payments:                            |                |                |
| - not later than 1 year                            | 3,622          | 3,114          |
| - later than 1 year and not later than 5 years     | 10,038         | 11,349         |
|  | 13,660         | 14,463         |
| Future finance charges on finance leases           | (1,935)        | (2,404)        |
| Present value of finance lease liabilities         | 11,725         | 12,059         |
| <b>Present value of finance lease liabilities:</b> |                |                |
| - not later than 1 year                            | 2,753          | 2,925          |
| - later than 1 year and not later than 5 years     | 8,972          | 9,134          |
|  | 11,725         | 12,059         |
| <b>Analysed as:</b>                                |                |                |
| Due within 1 year (Note 23)                        | 2,753          | 2,925          |
| Due after 1 year                                   | 8,972          | 9,134          |
|  | 11,725         | 12,059         |

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 2007, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 3.98% (2006: 3.98%) per annum and interest for the financial year is fixed at 3.84% (2006: 1.69%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

## 23 TRADE AND OTHER PAYABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>Non-current:</b>                         |                |                |                |                |
| Trade payables                              | –              | 4,524          | –              | –              |
| Programme rights payables                   | –              | 3,743          | –              | –              |
|   | –              | 8,267          | –              | –              |
| Other payables                              | –              | 10,465         | –              | 8,507          |
|   | –              | 18,732         | –              | 8,507          |
| <b>Current:</b>                             |                |                |                |                |
| Trade payables                              | 40,609         | 26,333         | –              | –              |
| Programme rights payables                   | 27,257         | 22,772         | 3,730          | 2,519          |
|   | 67,866         | 49,105         | 3,730          | 2,519          |
| Trade accruals                              | 29,861         | 13,344         | –              | –              |
| Other accruals                              | 69,355         | 106,869        | 7,703          | 2,248          |
| Other payables                              | 97,778         | 51,216         | 30,113         | 25,160         |
| Hire-purchase and lease creditors (Note 22) | 2,753          | 2,925          | –              | –              |
| Deferred income                             | 132            | –              | –              | –              |
| Advance billings                            | 3,610          | –              | –              | –              |
|   | 271,355        | 223,459        | 41,546         | 29,927         |

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

|                   | Group          |                | Company        |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Ringgit Malaysia  | 62,563         | 49,105         | 738            | 554            |
| US Dollar         | 4,555          | 7,987          | 2,992          | 1,965          |
| EURO              | 479            | –              | –              | –              |
| Hong Kong Dollar  | 79             | –              | –              | –              |
| Indonesian Rupiah | 34             | –              | –              | –              |
| Cedi              | 156            | 280            | –              | –              |
|                   | 67,866         | 57,372         | 3,730          | 2,519          |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 23 TRADE AND OTHER PAYABLES (cont'd)

Credit terms of trade payables range from 45 days to 90 days (2006: 45 days to 90 days).

At the end of the previous financial year, the non-current payables represent the outstanding balance of a subsidiary acquired in the previous year amounting to RM10,224,345 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% per annum on a reducing balance basis.

Included in other payables of the Group and of the Company at the end of the financial year are outstanding purchase consideration for the acquisition of subsidiaries and remaining interest in subsidiaries of RM15,000,000 and RM10,400,000 respectively (2006: RM21,493,342 and RM8,506,659) payable within a year.

### 24 DEFERRED TAXATION

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

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

|                                      | Group    |        |
|--------------------------------------|----------|--------|
|                                      | 2007     | 2006   |
|                                      | RM'000   | RM'000 |
| Deferred tax assets                  |          |        |
| - Subject to income tax              | 7,692    | 2,938  |
| Deferred tax liabilities             |          |        |
| - Subject to income tax              | (16,828) | -      |
| - Subject to real property gains tax | -        | (704)  |

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

|  | Group    |         |
|--|----------|---------|
|  | 2007     | 2006    |
|  | RM'000   | RM'000  |
| At 1 January                                   | 2,234    | 1,716   |
| (Charged)/credited to income statement (Note7) |          |         |
| - Property, plant and equipment                | (3,526)  | (3,639) |
| - Intangible assets                            |          |         |
| - Programme, film rights and royalties         | (2,040)  | 1,411   |
| - Acquired concession rights (Note 31)         | 2,433    | -       |
| - Allowances and provisions                    | 403      | (37)    |
| - Hire purchase creditors                      | 479      | -       |
| - Unused tax losses                            | 2,105    | -       |
| - Unutilised capital allowances                | 2,274    | 2,783   |
| - Advance billings                             | (215)    | -       |
| - Others                                       | 225      | -       |
|  | 2,138    | 518     |
| Credited to equity                             |          |         |
| - Property, plant and equipment                | 704      | -       |
| Acquisition of subsidiaries                    | (14,212) | -       |
| At 31 December                                 | 9,136    | 2,234   |

## 24 DEFERRED TAXATION (cont'd)

Subject to income tax:

|   | Group    |         |
|---|----------|---------|
|   | 2007     | 2006    |
|   | RM'000   | RM'000  |
| <b>Deferred tax assets (before offsetting)</b>      |          |         |
| - Intangible assets                                 | 1,662    | 3,704   |
| - Allowances and provisions                         | 938      | 119     |
| - Hire purchase creditors                           | 479      | -       |
| - Unused tax losses                                 | 2,105    | -       |
| - Advanced billings                                 | 1,485    | -       |
| - Unutilised capital allowances                     | 7,231    | 2,783   |
|   | 11,641   | 6,606   |
| Offsetting  | (3,949)  | (3,668) |
| <b>Deferred tax assets (after offsetting)</b>       | 7,692    | 2,938   |
| <b>Deferred tax liabilities (before offsetting)</b> |          |         |
| - Intangible assets                                 | (10,207) | -       |
| - Property, plant and equipment                     | (10,570) | (3,668) |
| Offsetting  | 3,949    | 3,668   |
| <b>Deferred tax liabilities (after offsetting)</b>  | (16,828) | -       |

Subject to real property gains tax:

### Deferred tax liabilities

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

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

|   | Group   |         |
|---|---------|---------|
|   | 2007    | 2006    |
|   | RM'000  | RM'000  |
| Unused tax losses                                     | 231,509 | 221,778 |
| Deductible temporary differences                      | 5,222   | 13,663  |
| Unutilised capital allowances                         | 96,946  | 98,875  |
|   | 350,593 | 334,316 |
| Deferred tax assets not recognised at 25% (2006: 26%) | 83,419  | 86,922  |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 25 PROPERTY, PLANT AND EQUIPMENT

|   | Freehold<br>land at cost<br>RM'000 | Long term<br>leasehold<br>land at<br>valuation<br>RM'000 | Long term<br>leasehold<br>land at cost<br>RM'000 | Building<br>at valuation<br>RM'000 | Building<br>at cost<br>RM'000 | Plant and<br>machinery<br>at cost<br>RM'000 |
|---|------------------------------------|--|--|------------------------------------|-------------------------------|---|
| <b>Group</b>                                    |                                    |  |  |                                    |                               |   |
| <b>2007</b>                                     |                                    |  |  |                                    |                               |   |
| <b>Cost/valuation</b>                           |                                    |  |  |                                    |                               |   |
| At 1.1.2007 (restated)                          | 10,246                             | –  | –  | 5,751                              | 41,551                        | 795   |
| Acquisition of subsidiaries (Note 39)           | 582                                | –  | –  | –                                  | 647                           | 193   |
| Additions                                       | –                                  | –  | –  | –                                  | –                             | 869   |
| Disposals                                       | –                                  | –  | –  | –                                  | –                             | –   |
| Write off                                       | –                                  | –  | –  | –                                  | –                             | (177)                                       |
| Reclassified from investment property (Note 26) | –                                  | –  | –  | –                                  | 149                           | –   |
| Reclassified to investment property (Note 26)   | (582)                              | –  | –  | –                                  | (593)                         | –   |
| Reclassification                                | –                                  | –  | –  | –                                  | –                             | –   |
| Currency translation differences                | –                                  | –  | –  | –                                  | –                             | (67)  |
| At 31.12.2007                                   | 10,246                             | –  | –  | 5,751                              | 41,754                        | 1,613                                       |
| <b>Accumulated depreciation</b>                 |                                    |  |  |                                    |                               |   |
| At 1.1.2007 (restated)                          | –                                  | –  | –  | 1,699                              | 9,863                         | 795   |
| Acquisition of subsidiaries (Note 39)           | –                                  | –  | –  | –                                  | 205                           | 155   |
| Charge for the financial year                   | –                                  | –  | –  | 117                                | 790                           | 837   |
| Disposals                                       | –                                  | –  | –  | –                                  | –                             | –   |
| Write off                                       | –                                  | –  | –  | –                                  | –                             | (153)                                       |
| Reclassified from investment property (Note 26) | –                                  | –  | –  | –                                  | 20                            | –   |
| Reclassified to investment property (Note 26)   | –                                  | –  | –  | –                                  | (207)                         | –   |
| Currency translation differences                | –                                  | –  | –  | –                                  | –                             | (29)  |
| At 31.12.2007                                   | –                                  | –  | –  | 1,816                              | 10,671                        | 1,605                                       |
| <b>Accumulated impairment</b>                   |                                    |  |  |                                    |                               |   |
| At 1.1.2007 (restated)                          | 3,265                              | –  | –  | –                                  | 5,618                         | –   |
| Acquisition of subsidiaries (Note 39)           | –                                  | –  | –  | –                                  | –                             | –   |
| Charge for the financial year                   | –                                  | –  | –  | –                                  | –                             | –   |
| At 31.12.2007                                   | 3,265                              | –  | –  | –                                  | 5,618                         | –   |
| <b>Net book value</b>                           |                                    |  |  |                                    |                               |   |
| At 31.12.2007                                   | 6,981                              | –  | –  | 3,935                              | 25,465                        | 8   |

| Broad casting and transmission equipment at cost<br>RM'000 | Production equipment at cost<br>RM'000 | Office equipment, furniture and fittings at cost<br>RM'000 | Office renovations at cost<br>RM'000 | Motor vehicles at cost<br>RM'000 | Leasehold improvements at cost<br>RM'000 | Assets under construction at cost<br>RM'000 | Structures at cost<br>RM'000 | Total<br>RM'000 |
|--|--|--|--------------------------------------|----------------------------------|--|---|------------------------------|-----------------|
| 503,548  | 763                                    | 69,326   | 16,162                               | 11,507                           | 29,067                                   | 349   | -                            | 689,065         |
| -  | -                                      | 12,090   | 712                                  | 844                              | -  | 806   | 63,867                       | 79,741          |
| 20,406   | 226                                    | 6,231  | 1,630                                | 5,197                            | 1  | 882   | 1,264                        | 36,706          |
| (49)   | -                                      | (119)  | -                                    | (908)                            | -  | (19)  | (27)                         | (1,122)         |
| -  | -                                      | (1,795)  | (629)                                | -                                | -  | (136)                                       | (49)                         | (2,786)         |
| -  | -                                      | -  | -                                    | -                                | -  | -   | -                            | 149             |
| -  | -                                      | -  | -                                    | -                                | -  | -   | -                            | (1,175)         |
| 183  | -                                      | 36   | -                                    | -                                | -  | (819)                                       | 600                          | -               |
| (1,304)  | -                                      | (315)  | -                                    | (190)                            | -  | (14)  | -                            | (1,890)         |
| 522,784  | 989                                    | 85,454   | 17,875                               | 16,450                           | 29,068                                   | 1,049                                       | 65,655                       | 798,688         |
| 357,078  | 579                                    | 50,838   | 13,777                               | 6,669                            | 22,783                                   | -   | -                            | 464,081         |
| -  | -                                      | 6,530  | 643                                  | 471                              | -  | -   | 39,385                       | 47,389          |
| 20,275   | 98                                     | 5,527  | 682                                  | 2,772                            | 1,917                                    | 17  | 4,607                        | 37,639          |
| (20)   | -                                      | (89)   | (9)                                  | (516)                            | -  | -   | (7)                          | (641)           |
| -  | -                                      | (1,761)  | (533)                                | -                                | -  | -   | (34)                         | (2,481)         |
| -  | -                                      | -  | -                                    | -                                | -  | -   | -                            | 20              |
| -  | -                                      | -  | -                                    | -                                | -  | -   | -                            | (207)           |
| (936)  | -                                      | (234)  | -                                    | (136)                            | -  | -   | -                            | (1,335)         |
| 376,397  | 677                                    | 60,811   | 14,560                               | 9,260                            | 24,700                                   | 17  | 43,951                       | 544,465         |
| 36,407   | -                                      | 3,975  | -                                    | 910                              | -  | -   | -                            | 50,175          |
| -  | -                                      | -  | -                                    | -                                | -  | -   | 175                          | 175             |
| -  | -                                      | -  | -                                    | -                                | -  | -   | 207                          | 207             |
| 36,407   | -                                      | 3,975  | -                                    | 910                              | -  | -   | 382                          | 50,557          |
| 109,980  | 312                                    | 20,668   | 3,315                                | 6,280                            | 4,368                                    | 1,032                                       | 21,322                       | 203,666         |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

|   | Freehold<br>land at cost<br>RM'000 | Long term<br>leasehold<br>land at<br>valuation<br>RM'000 | Long term<br>leasehold<br>land at cost<br>RM'000 | Building<br>at valuation<br>RM'000 | Building<br>at cost<br>RM'000 | Plant and<br>machinery<br>at cost<br>RM'000 |
|---|------------------------------------|--|--|------------------------------------|-------------------------------|---|
| <b>Group</b>                            |                                    |  |  |                                    |                               |   |
| <b>2006</b>                             |                                    |  |  |                                    |                               |   |
| <b>Cost/valuation</b>                   |                                    |  |  |                                    |                               |   |
| At 1.1.2006 (As previously reported)    | 10,368                             | 316  | 38   | 5,859                              | 41,629                        | 839   |
| Effect of adoption of FRS 117 (Note 43) | –                                  | (316)  | (38)   | –                                  | –                             | –   |
| At 1.1.2006 (Restated)                  | 10,368                             | –  | –  | 5,859                              | 41,629                        | 839   |
| Additions                               | –                                  | –  | –  | –                                  | –                             | –   |
| Disposals                               | –                                  | –  | –  | –                                  | –                             | –   |
| Write off                               | –                                  | –  | –  | –                                  | –                             | –   |
| Reclassifications                       | (122)                              | –  | –  | –                                  | –                             | –   |
| Currency translation differences        | –                                  | –  | –  | (108)                              | (78)                          | (44)  |
| At 31.12.2006 (Restated)                | 10,246                             | –  | –  | 5,751                              | 41,551                        | 795   |
| <b>Accumulated depreciation</b>         |                                    |  |  |                                    |                               |   |
| At 1.1.2006 (As previously reported)    | –                                  | 53   | 5  | 1,670                              | 9,133                         | 839   |
| Effect of adoption of FRS 117 (Note 43) | –                                  | (53)   | (5)  | –                                  | –                             | –   |
| At 1.1.2006 (Restated)                  | –                                  | –  | –  | 1,670                              | 9,133                         | 839   |
| Charge for the financial year           | –                                  | –  | –  | 117                                | 790                           | –   |
| Disposals                               | –                                  | –  | –  | –                                  | –                             | –   |
| Write off                               | –                                  | –  | –  | –                                  | –                             | –   |
| Reclassifications                       | –                                  | –  | –  | –                                  | –                             | –   |
| Currency translation differences        | –                                  | –  | –  | (88)                               | (60)                          | (44)  |
| At 31.12.2006                           | –                                  | –  | –  | 1,699                              | 9,863                         | 795   |
| <b>Accumulated impairment losses</b>    |                                    |  |  |                                    |                               |   |
| At 1.1.2006                             | 3,265                              | –  | –  | –                                  | 5,618                         | –   |
| Currency translation differences        | –                                  | –  | –  | –                                  | –                             | –   |
| At 31.12.2006                           | 3,265                              | –  | –  | –                                  | 5,618                         | –   |
| <b>Net book value</b>                   |                                    |  |  |                                    |                               |   |
| At 31.12.2006 (Restated)                | 6,981                              | –  | –  | 4,052                              | 26,070                        | –   |

| Broad casting and transmission equipment at cost<br>RM'000 | Production equipment at cost<br>RM'000 | Office equipment, furniture and fittings at cost<br>RM'000 | Office renovations at cost<br>RM'000 | Motor vehicles at cost<br>RM'000 | Leasehold improvements at cost<br>RM'000 | Assets under construction at cost<br>RM'000 | Total<br>RM'000 |
|--|--|--|--------------------------------------|----------------------------------|--|---|-----------------|
| 460,921  | 14,508                                 | 62,499   | 14,061                               | 12,257                           | 29,067                                   | 157   | 652,519         |
| -  | -                                      | -  | -                                    | -                                | -  | -   | (354)           |
| 460,921  | 14,508                                 | 62,499   | 14,061                               | 12,257                           | 29,067                                   | 157   | 652,165         |
| 31,244   | 129                                    | 7,041  | 2,102                                | 1,598                            | -  | 192   | 42,306          |
| (918)  | -                                      | (41)   | -                                    | (2,327)                          | -  | -   | (3,286)         |
| -  | -                                      | -  | (1)                                  | -                                | -  | -   | (1)             |
| 13,874   | (13,874)                               | -  | -                                    | -                                | -  | -   | (122)           |
| (1,573)  | -                                      | (173)  | -                                    | (21)                             | -  | -   | (1,997)         |
| 503,548  | 763                                    | 69,326   | 16,162                               | 11,507                           | 29,067                                   | 349   | 689,065         |
| 330,165  | 10,674                                 | 46,651   | 13,151                               | 7,729                            | 20,962                                   | -   | 441,032         |
| -  | -                                      | -  | -                                    | -                                | -  | -   | (58)            |
| 330,165  | 10,674                                 | 46,651   | 13,151                               | 7,729                            | 20,962                                   | -   | 440,974         |
| 18,098   | 37                                     | 4,243  | 627                                  | 1,283                            | 1,821                                    | -   | 27,016          |
| (906)  | -                                      | (5)  | -                                    | (2,327)                          | -  | -   | (3,238)         |
| -  | -                                      | -  | (1)                                  | -                                | -  | -   | (1)             |
| 10,132   | (10,132)                               | -  | -                                    | -                                | -  | -   | -               |
| (411)  | -                                      | (51)   | -                                    | (16)                             | -  | -   | (670)           |
| 357,078  | 579                                    | 50,838   | 13,777                               | 6,669                            | 22,783                                   | -   | 464,081         |
| 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   | 174,809         |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

|   | Company        |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>Office equipment, furniture &amp; fittings</b> |                |                |
| <b>Cost</b>                                       |                |                |
| At 1 January                                      | 32             | 11             |
| Additions   | 40             | 21             |
| At 31 December                                    | 72             | 32             |
| <b>Accumulated depreciation</b>                   |                |                |
| At 1 January                                      | 8              | 4              |
| Charge for the financial year                     | 7              | 4              |
| At 31 December                                    | 15             | 8              |
| <b>Net book value</b>                             |                |                |
| At 31 December                                    | 57             | 24             |

- (a) The value of property, plant and equipment of the Group includes the following assets acquired under hire-purchase and finance lease agreements:

| Group   | Cost   | Accumulated            | Net book        |
|---|--------|------------------------|-----------------|
|   | RM'000 | depreciation<br>RM'000 | value<br>RM'000 |
| 2007  |        |                        |                 |
| Broadcasting, transmission and production equipment | 14,653 | 1,908                  | 12,745          |
| Motor vehicles                                      | 522    | 152                    | 370             |
|   | 15,175 | 2,060                  | 13,115          |
| 2006  |        |                        |                 |
| Broadcasting, transmission and production equipment | 12,400 | 499                    | 11,901          |
| Motor vehicles                                      | 532    | 125                    | 407             |
|   | 12,932 | 624                    | 12,308          |

- (b) As at the end of the previous financial year, the net book value of property, plant and equipment of a subsidiary amounting to RM29.4 million has been pledged as security for term loans (Note 21). Upon redemption of the term loans in the current financial year, the security has been discharged.

## 26 INVESTMENT PROPERTIES

|  | Freehold land<br>RM'000 | Long term<br>leasehold land<br>RM'000 | Buildings<br>RM'000 | Cinema<br>RM'000 | Total<br>RM'000 |
|--|-------------------------|---------------------------------------|---------------------|------------------|-----------------|
| <b>Group</b>   |                         |                                       |                     |                  |                 |
| <b>2007</b>  |                         |                                       |                     |                  |                 |
| Cost   |                         |                                       |                     |                  |                 |
| At 1 January 2007 (Restated)                                 | 1,037                   | –                                     | 14,935              | 2,382            | 18,354          |
| Disposal   | –                       | –                                     | (444)               | –                | (444)           |
| Reclassified to property, plant and equipment<br>(Note 25)   | –                       | –                                     | (149)               | –                | (149)           |
| Reclassified from property, plant and equipment<br>(Note 25) | 582                     | –                                     | 593                 | –                | 1,175           |
| At 31 December 2007  | 1,619                   | –                                     | 14,935              | 2,382            | 18,936          |
| Accumulated depreciation                                     |                         |                                       |                     |                  |                 |
| At 1 January 2007 (Restated)                                 | –                       | –                                     | 1,738               | 558              | 2,296           |
| Charge for the financial year                                | –                       | –                                     | 227                 | 47               | 274             |
| Disposal   | –                       | –                                     | (82)                | –                | (82)            |
| Reclassified to property, plant and equipment<br>(Note 25)   | –                       | –                                     | (20)                | –                | (20)            |
| Reclassified from property, plant and equipment<br>(Note 25) | –                       | –                                     | 207                 | –                | 207             |
| At 31 December 2007  | –                       | –                                     | 2,070               | 605              | 2,675           |
| Accumulated impairment losses                                |                         |                                       |                     |                  |                 |
| At 1 January 2007 (Restated)                                 | 482                     | –                                     | 4,987               | 228              | 5,697           |
| Impairment losses  |                         |                                       |                     |                  |                 |
| - Charge for the financial year                              | 20                      | –                                     | 5                   | –                | 25              |
| - Reversal during the financial year                         | (466)                   | –                                     | (3,894)             | (150)            | (4,510)         |
| At 31 December 2007  | 36                      | –                                     | 1,098               | 78               | 1,212           |
| Net book value   |                         |                                       |                     |                  |                 |
| At 31 December 2007  | 1,583                   | –                                     | 11,767              | 1,699            | 15,049          |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 26 INVESTMENT PROPERTIES (cont'd)

| Group  | Freehold<br>land<br>RM'000 | Long term<br>leasehold<br>land<br>RM'000 | Buildings<br>RM'000 | Cinema<br>RM'000 | Total<br>RM'000 |
|--|----------------------------|--|---------------------|------------------|-----------------|
| <b>2006</b>                                    |                            |  |                     |                  |                 |
| <b>Cost</b>                                    |                            |  |                     |                  |                 |
| At 1 January 2006 (As previously reported)     | 1,037                      | 28,573                                   | 92,784              | 2,382            | 124,776         |
| Effect of adoption of FRS 117 (Note 43)        | –                          | (4,372)                                  | –                   | –                | (4,372)         |
| At 1 January 2006 (Restated)                   | 1,037                      | 24,201                                   | 92,784              | 2,382            | 120,404         |
| Additions                                      | –                          | –  | 295                 | –                | 295             |
| Reclassified to assets held-for-sale (Note 32) | –                          | (24,201)                                 | (78,144)            | –                | (102,345)       |
| At 31 December 2006                            | 1,037                      | –  | 14,935              | 2,382            | 18,354          |
| <b>Accumulated depreciation</b>                |                            |  |                     |                  |                 |
| At 1 January 2006 (As previously reported)     | –                          | 2,899                                    | 11,843              | 510              | 15,252          |
| Effect of adoption of FRS 117 (Note 43)        | –                          | (216)                                    | –                   | –                | (216)           |
| At 1 January 2006 (Restated)                   | –                          | 2,683                                    | 11,843              | 510              | 15,036          |
| Charged for the financial year                 | –                          | 6  | 1,513               | 48               | 1,567           |
| Reclassified to assets held-for-sale (Note 32) | –                          | (2,689)                                  | (11,618)            | –                | (14,307)        |
| At 31 December 2006                            | –                          | –  | 1,738               | 558              | 2,296           |
| <b>Accumulated impairment losses</b>           |                            |  |                     |                  |                 |
| At 1 January 2006 (As previously reported)     | 482                        | 7,308                                    | 23,902              | –                | 31,692          |
| Effect of adoption of FRS 117 (Note 43)        | –                          | (723)                                    | –                   | –                | (723)           |
| At 1 January 2006 (Restated)                   | 482                        | 6,585                                    | 23,902              | –                | 30,969          |
| Impairment losses for the financial year       | –                          | –  | 1,937               | 228              | 2,165           |
| Reclassified to assets held-for-sale (Note 32) | –                          | (6,585)                                  | (20,852)            | –                | (27,437)        |
| At 31 December 2006                            | 482                        | –  | 4,987               | 228              | 5,697           |
| <b>Net book value</b>                          |                            |  |                     |                  |                 |
| At 31 December 2006 (Restated)                 | 555                        | –  | 8,210               | 1,596            | 10,361          |

## 26 INVESTMENT PROPERTIES (cont'd)

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 RM24,900 (2006: RM2,165,000) during the financial year in respect of buildings and freehold land, for which the recoverable amount using the selling price based on independent professional valuation reports was lower than the carrying amount.

The Group has also recognised a reversal of impairment loss of RM4,510,000 (2006 : RMNil) during the financial year in respect of buildings and freehold land, for which the recoverable amount using the selling price based on independent professional valuation reports was higher than the carrying amount.

In the preceding financial year, an investment property had been classified as "assets held-for-sale" as it satisfies the criteria set out in FRS 5 "Non-current assets Held for Sale and Discontinued Operations."

The fair value of the properties was estimated at RM15.2 million (2006: 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.

## 27 PREPAID LEASE RENTALS

|  |    | Group          |                |
|--|----|----------------|----------------|
|  |    | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>Cost</b>                                |    |                |                |
| At 1 January:                              |    |                |                |
| As previously reported                     |    | -              | -              |
| Effect of adoption of RFS 117              | 43 | 4,829          | 4,726          |
| As restated                                |    | 4,829          | 4,726          |
| Additions / Reclassifications              |    | 6,995          | 122            |
| Currency translation differences           |    | (810)          | (19)           |
| <b>At 31 December</b>                      |    | <b>11,014</b>  | <b>4,829</b>   |
| <b>Accumulated amortisation/impairment</b> |    |                |                |
| At 1 January:                              |    |                |                |
| As previously reported                     |    | -              | -              |
| Effect of adoption of RFS 117              | 43 | 1,219          | 997            |
| As restated                                |    | 1,219          | 997            |
| Charge for the financial year              |    | 827            | 225            |
| Currency translation differences           |    | (238)          | (3)            |
| <b>At 31 December</b>                      |    | <b>1,808</b>   | <b>1,219</b>   |
| <b>Net book value</b>                      |    |                |                |
| <b>At 31 December</b>                      |    | <b>9,206</b>   | <b>3,610</b>   |

- (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 RM1,715,000 (2006 : RM1,805,000).

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 28 SUBSIDIARIES

|                          | Company        |                |
|--------------------------|----------------|----------------|
|                          | 2007<br>RM'000 | 2006<br>RM'000 |
| Unquoted shares, at cost | 614,280        | 430,481        |

The details of the subsidiaries are as follows:

| Name of company   | Country of incorporation | Principal activities   | Interest in equity |           |
|---|--------------------------|--|--------------------|-----------|
|   |                          |  | 2007<br>%          | 2006<br>% |
| Sistem Televisyen Malaysia Berhad ("STMB")                              | Malaysia                 | Commercial television broadcasting   | 100                | 100       |
| Ch-9 Media Sdn. Bhd. ("TV9")  | Malaysia                 | Commercial television broadcasting   | 100                | 100       |
| Natseven TV Sdn. Bhd. ("ntv7")  | Malaysia                 | Commercial television broadcasting   | 100                | 100       |
| Synchrosound Studio Sdn. Bhd.   | Malaysia                 | Commercial radio broadcasting  | 100                | 100       |
| Big Tree Outdoor Sdn. Bhd.  | Malaysia                 | Provision of advertising space and related services, investment holding and management services                                  | 100                | –         |
| UPD Sdn. Bhd.   | Malaysia                 | Outdoor Advertising  | 100                | –         |
| The Right Channel Sdn. Bhd.   | Malaysia                 | Outdoor Advertising  | 100                | –         |
| Merit Idea Sdn. Bhd.  | Malaysia                 | Investment holding   | 100                | 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       |
| Big Events Sdn. Bhd.  | Malaysia                 | Events management  | 100                | –         |
| The Talent Unit Sdn. Bhd. (formerly known as Tiga Events Sdn. Bhd.)     | Malaysia                 | Talent management of artistes  | 100                | 100       |
| Alternate Records Sdn. Bhd. (formerly known as Ambang Klasik Sdn. Bhd.) | Malaysia                 | Album production and recording studio  | 100                | 100       |

## 28 SUBSIDIARIES (cont'd)

| Name of company  | Country of incorporation | Principal activities   | Interest in equity |           |
|--|--------------------------|--|--------------------|-----------|
|  |                          |  | 2007<br>%          | 2006<br>% |
| Amity Valley Sdn. Bhd.   | Malaysia                 | Investment holding   | 100                | 100       |
| Esprit Assets Sdn. Bhd.  | Malaysia                 | Property investments and provision of property management services                 | 100                | 100       |
| Animated & Production Techniques Sdn. Bhd.                                       | Malaysia                 | Dormant  | 100                | 100       |
| Newslink Asia Sdn. Bhd.  | Malaysia                 | Dormant  | 100                | 100       |
| Able Communications Sdn. Bhd.  | Malaysia                 | Dormant  | 100                | 100       |
| Encorp Media Technology Sdn. Bhd.  | Malaysia                 | Dormant  | 100                | 100       |
| <b>Held by Merit Idea Sdn. Bhd.</b><br>Metropolitan TV Sdn. Bhd. ("8TV")         | Malaysia                 | Commercial television broadcasting   | 100                | 99.5      |
| <b>Held by Perintis Layar Sdn. Bhd.</b><br>Max-Airplay Sdn. Bhd.                 | Malaysia                 | Commercial radio broadcasting  | 75                 | 75        |
| <b>Held by Big Tree Outdoor Sdn. Bhd.</b><br>Big Tree Productions Sdn. Bhd.      | Malaysia                 | Undertaking outdoor advertising business and carrying out related production works | 100                | –         |
| Uniteers Outdoor Advertising Sdn. Bhd.   | Malaysia                 | Advertising contracting and agents, sale of advertising spaces                     | 100                | –         |
| Gotcha Sdn. Bhd.   | Malaysia                 | Undertaking outdoor advertising business and carrying out related production works | 100                | –         |
| Eureka Outdoor Sdn. Bhd.   | Malaysia                 | Dormant  | 100                | –         |
| Anchor Heights Sdn. Bhd.   | Malaysia                 | Dormant  | 100                | –         |
| Uni-Talent Gateway Sdn. Bhd.   | Malaysia                 | Dormant  | 100                | 100       |
| <b>Held by Alternate Records Sdn. Bhd.</b><br>Booty Studio Productions Sdn. Bhd. | Malaysia                 | Dormant  | 60                 | 60        |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 28 SUBSIDIARIES (cont'd)

| Name of company   | Country of incorporation | Principal activities   | Interest in equity |           |
|---|--------------------------|--|--------------------|-----------|
|   |                          |  | 2007<br>%          | 2006<br>% |
| <b>Held by Grand Brilliance Sdn. Bhd.</b>                             |                          |  |                    |           |
| Alt Media Sdn. Bhd. (formerly known as Cineart Enterprises Sdn. Bhd.) | Malaysia                 | New media businesses and related activities  | 100                | 100       |
| <b>Held by UPD Sdn. Bhd.</b>  |                          |  |                    |           |
| Utusan Sinar Media Sdn. Bhd.  | Malaysia                 | Dormant  | 100                | –         |
| <b>Held by The Right Channel Sdn. Bhd.</b>                            |                          |  |                    |           |
| MMC-AD Sdn. Bhd.  | Malaysia                 | Undertaking outdoor advertising business   | 100                | –         |
| Media Master Industries (M) Sdn. Bhd.                                 | Malaysia                 | Dormant  | 100                | –         |
| <b>Held by Amity Valley Sdn. Bhd.</b>                                 |                          |  |                    |           |
| Gama Media International (BVI) Ltd                                    | British Virgin Islands   | Investment holding   | 100                | 100       |
| <b>Held by Gama Media International (BVI) Ltd</b>                     |                          |  |                    |           |
| Gama Film Company Limited ^   | Republic of Ghana        | Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution | 70                 | 70        |
| TV3 Network Limited ^   | Republic of Ghana        | Media and communication businesses, managerial services and operation of free-to-air television service            | 90                 | 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

## 29 ASSOCIATES

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>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 | 21,594         | 14,415         | –              | –              |
| Goodwill on acquisition written off                          | (88,763)       | (88,763)       | –              | –              |
|  | 332,482        | 325,303        | 399,651        | 399,651        |
| <b>Total</b>   | <b>332,482</b> | <b>325,303</b> | <b>399,651</b> | <b>399,651</b> |
| Market value of quoted shares                                | 187,131        | 218,162        | 187,131        | 218,162        |

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

|                                   | Group          |                |
|-----------------------------------|----------------|----------------|
|                                   | 2007<br>RM'000 | 2006<br>RM'000 |
| Revenue                           | 241,930        | 225,135        |
| Net profit for the financial year | 14,630         | 10,635         |
| Non-current assets                | 316,228        | 324,022        |
| Current assets                    | 116,073        | 127,001        |
| Current liabilities               | (95,380)       | (125,677)      |
| Non-current liabilities           | (4,439)        | (43)           |
| Share of net assets               | 332,482        | 325,303        |

Contingent liabilities relating to associates are shown in Note 45 (c) to the financial statements.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 29 ASSOCIATES (cont'd)

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

| Name of company                                  | Principal activities                                       | Interest in equity |           |
|--|--|--------------------|-----------|
|  |  | 2007<br>%          | 2006<br>% |
| The New Straits Times Press<br>(Malaysia) Berhad | Publishing and sale of newspaper<br>and investment holding | 43.29              | 43.29     |
| Sistem Network Nusantara Sdn. Bhd.               | Dormant  | 49.00              | 49.00     |

Contingent liabilities relating to associates are shown in Note 45(c) to the financial statements.

Based on the Group's share of net assets and best estimate of the Group's share of net present value of future cash flow, the Directors are at the opinion that the investment in NSTP is not impaired.

### 30 INVESTMENTS

|   | Group          |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| <b>At cost:</b>                                       |                |                |
| Shares in corporations, quoted in Malaysia            | 291            | 288            |
| Less: Allowance for diminution in value               | (127)          | (190)          |
|   | 164            | 98             |
| Units in property and unit trusts, quoted in Malaysia | 5,210          | 5,210          |
| Less: Allowance for diminution in value               | (1,976)        | (2,822)        |
|   | 3,234          | 2,388          |
| Shares in corporations, unquoted                      | 381            | 381            |
| Less: Allowance for diminution in value               | (245)          | (245)          |
|   | 136            | 136            |
| Club membership, unquoted                             | 70             | 70             |
|   | 3,604          | 2,692          |
| <b>At market value:</b>                               |                |                |
| Quoted shares   | 190            | 185            |
| Quoted property and unit trusts                       | 3,235          | 2,402          |

### 31 INTANGIBLE ASSETS

|  | Programmes<br>and film rights<br>RM'000 | Group              |  | Total<br>RM'000 |
|--|---|--------------------|--|-----------------|
|  |   | Goodwill<br>RM'000 | Acquired<br>concession<br>rights<br>RM'000 |                 |
| At 1 January 2007                      | 38,736                                  | –                  | –  | 38,736          |
| Additions during the financial year    | 192,376                                 | –                  | –  | 192,376         |
| Acquisition of subsidiaries (Note 39)  | –                                       | 94,525             | 67,015                                     | 161,540         |
|  | 231,112                                 | 94,525             | 67,015                                     | 392,652         |
| Amortisation during the financial year | (179,650)                               | –                  | (6,823)                                    | (186,473)       |
| Write off during the financial year    | (44)                                    | –                  | –  | (44)            |
| At 31 December 2007                    | 51,418                                  | 94,525             | 60,192                                     | 206,135         |
| At 1 January 2006                      | 33,843                                  | –                  | –  | 33,843          |
| Additions during the financial year    | 158,140                                 | –                  | –  | 158,140         |
|  | 191,983                                 | –                  | –  | 191,983         |
| Amortisation during the financial year | (152,727)                               | –                  | –  | (152,727)       |
| Write off during the financial year    | (520)                                   | –                  | –  | (520)           |
| At 31 December 2006                    | 38,736                                  | –                  | –  | 38,736          |

Deferred tax liabilities arising from the amortisation of the acquired concession rights of RM2,433,000 (2006 : RMNil) have been credited to the income statement (Note 24), resulting in net amortisation of RM4,390,000 (2006 : RMNil).

Included in intangible assets arising from the acquisitions during the financial year were acquired rights which have indefinite useful lives, totalling RM22,113,00 (2006 : RMNil). These assets are deemed to have indefinite useful lives as they are renewable with minimum costs to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group.

#### Impairment tests for goodwill

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

|         | Group          |                |
|---------|----------------|----------------|
|         | 2007<br>RM'000 | 2006<br>RM'000 |
| TV      | 72,812         | –              |
| Radio   | 3,979          | –              |
| Outdoor | 17,734         | –              |
|         | 94,525         | –              |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 31 INTANGIBLE ASSETS (cont'd)

The recoverable amount of the TV, Radio and Outdoor CGU, is determined based on value-in-use calculations, using pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period.

The key assumptions used for value-in-use calculations are as follows:

|                       | TV<br>% | Radio<br>% | Outdoor<br>% |
|-----------------------|---------|------------|--------------|
| Growth rate           | 7.00    | 15.00      | 7.00         |
| Pre-tax discount rate | 9.06    | 9.06       | 9.06         |

The Directors have determined the average growth rate based on their expectations of market developments. The discount rate used is pre-tax and reflects specific risks relating to the segment.

### 32 ASSETS HELD-FOR-SALE

|   | Group          |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| Property classified as assets held-for-sale:              |                |                |
| - Leasehold land  | 14,927         | 14,927         |
| - Leasehold building                                      | 45,674         | 45,674         |
|   | 60,601         | 60,601         |
| Less: Loss on measurement to fair value less cost to sell | (1,941)        | (1,941)        |
| Fair value less cost to sell                              | 58,660         | 58,660         |

In the previous financial year, a subsidiary had 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 property was classified as "asset held-for-sale". The difference between the carrying value of the investment property and the fair value less cost to sell, amounting to RM1,941,000, was recognised as a loss in the income statement in the previous financial year.

As at 31 December 2007, the disposal has yet to be completed pending the completion of certain conditions precedent set out in the sale and purchase agreement.

### 33 INVENTORIES

|                    | Group          |                |
|--------------------|----------------|----------------|
|                    | 2007<br>RM'000 | 2006<br>RM'000 |
| Consumable spares  | 426            | 645            |
| Musical albums     | 13             | -              |
| Events-in-progress | -              | 659            |
|                    | 439            | 1,304          |

## 34 TRADE AND OTHER RECEIVABLES

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Trade receivables                  | 263,420        | 200,639        | –              | –              |
| Less: Allowance for doubtful debts | (40,143)       | (42,360)       | –              | –              |
|                                    | 223,277        | 158,279        | –              | –              |
| Less: Billing in advance           | (4,066)        | –              | –              | –              |
|                                    | 219,211        | 158,279        | –              | –              |
| Deposits                           | 7,714          | 3,443          | 69             | –              |
| Tax recoverable                    | –              | 717            | –              | –              |
| Prepayments                        | 17,628         | 13,316         | 12             | 551            |
| Other receivables                  | 176,030        | 172,533        | 4,942          | 2,474          |
|                                    | 201,372        | 190,009        | 5,023          | 3,025          |
| Less: Allowance for doubtful debts | (166,147)      | (164,693)      | –              | –              |
|                                    | 35,225         | 25,316         | 5,023          | 3,025          |
|                                    | 254,436        | 183,595        | 5,023          | 3,025          |

The currency exposure profile of trade receivables is as follows:

|                    | Group          |                | Company        |                |
|--------------------|----------------|----------------|----------------|----------------|
|                    | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Ringgit Malaysia   | 248,412        | 186,903        | –              | –              |
| US Dollar          | 1,016          | 13,736         | –              | –              |
| Cedi               | 13,756         | –              | –              | –              |
| Singaporean Dollar | 147            | –              | –              | –              |
| Brunei Dollar      | 89             | –              | –              | –              |
|                    | 263,420        | 200,639        | –              | –              |

Credit terms of trade receivables are 90 days (2006: 90 days).

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 35 AMOUNTS DUE FROM SUBSIDIARIES

|                               | Company |         |
|-------------------------------|---------|---------|
|                               | 2007    | 2006    |
|                               | RM'000  | RM'000  |
| Amounts due from subsidiaries | 471,587 | 263,594 |

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 (2006: RM99 million) which bears interest at 5.00% (2006: 5.00%) per annum.

### 36 DEPOSITS, CASH AND BANK BALANCES

|   | Group   |         | Company |        |
|---|---------|---------|---------|--------|
|   | 2007    | 2006    | 2007    | 2006   |
|   | RM'000  | RM'000  | RM'000  | RM'000 |
| Cash and bank balances                                | 53,923  | 39,933  | 12,724  | 6,670  |
| Deposits with licensed financial institutions:        |         |         |         |        |
| - Deposits with licensed banks                        | 30,259  | 79,275  | 959     | 74,153 |
| - Deposits with licensed finance companies            | 1,016   | 948     | -       | -      |
| - Deposits with discount houses                       | 43,160  | 8,000   | 21,122  | -      |
| - Deposits with other licensed financial institutions | -       | 2,109   | -       | -      |
|   | 74,435  | 90,332  | 22,081  | 74,153 |
| Deposits, cash and bank balances (Note 38)            | 128,358 | 130,265 | 34,805  | 80,823 |

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

|                  | Group   |         | Company |        |
|------------------|---------|---------|---------|--------|
|                  | 2007    | 2006    | 2007    | 2006   |
|                  | RM'000  | RM'000  | RM'000  | RM'000 |
| Ringgit Malaysia | 128,358 | 129,595 | 34,805  | 80,823 |
| Cedi             | -       | 670     | -       | -      |
|                  | 128,358 | 130,265 | 34,805  | 80,823 |

During the financial year, the interest rates for the deposits ranged from 3.00% to 3.70% (2006: 3.00% to 3.55%) per annum for the Group and for the Company. As at 31 December 2007, the effective interest rates for the deposits ranged from 3.00% to 3.70% (2006: 3.00% to 3.55%) per annum for the Group and for the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2006: 30 days to 365 days).

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

### 37 AMOUNT DUE TO AN ASSOCIATE

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

### 38 CASH AND CASH EQUIVALENTS

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Deposits, cash and bank balances (Note 36) | 128,358        | 130,265        | 34,805         | 80,823         |
| Less:                                      |                |                |                |                |
| Restricted deposits:                       |                |                |                |                |
| - Deposits with a licensed bank            | (25)           | (7,025)        | -              | (7,000)        |
| - Deposits with a licensed finance company | (1,016)        | (948)          | -              | -              |
|  | (1,041)        | (7,973)        | -              | (7,000)        |
|  | 127,317        | 122,292        | 34,805         | 73,823         |
| Less: Bank overdrafts (Note 21)            | (705)          | (783)          | -              | -              |
|  | 126,612        | 121,509        | 34,805         | 73,823         |

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 (2006: RM7,025,000), which have been placed with the licensed bank for bank guarantee facilities extended to the Group;
- Deposits with a licensed finance company, amounting to RM1,016,103 (2006: RM948,162), which have been placed with a licensed finance company pending the completion of the installation of certain equipment of the Group.

### 39 ACQUISITION OF SUBSIDIARIES

During the financial year, the Group acquired the following companies:

#### (a) 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 and 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.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 39 ACQUISITION OF SUBSIDIARIES (cont'd)

#### (a) Big Tree Outdoor Sdn. Bhd. ("BTO") (cont'd)

The acquisition was completed on 30 March 2007.

The acquired business contributed revenues of RM50,057,044 and net profit of RM11,743,914 to the Group for the period from 30 March 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, Group revenue and profit would have been increased by RM65,413,999 and RM14,972,024 respectively. These amounts are calculated using the Group's accounting policies.

Details of net assets acquired and the resulting intangibles and goodwill are as follows:

|   | RM'000   |
|---|----------|
| Purchase consideration:                               |          |
| - Cash paid   | 59,633   |
| - Direct costs relating to the acquisition            | 4,987    |
| - Fair value of shares issued                         | 94,500   |
| Total purchase consideration                          | 159,120  |
| Fair value of net assets acquired                     | (32,399) |
|   | 126,721  |
| Intangibles - Acquired concession rights              | (63,748) |
| Deferred tax liabilities on fair value of intangibles | 12,391   |
| Goodwill  | 75,364   |

The goodwill is attributable to the significant synergies expected to arise for the Group after the Group's acquisition of this subsidiary.

The fair value of the shares issued was based on the published share price on 30 March 2007.

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

|   | At date of<br>acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---|-------------------------------------|--|
| Property, plant and equipment (Note 25)   | 23,541                              | 23,541                                     |
| Intangible assets (Note 31)   | 63,748                              | -  |
| Trade and other receivables   | 13,983                              | 13,983                                     |
| Cash and bank balances  | 17,937                              | 17,937                                     |
| Trade and other payables  | (16,821)                            | (16,821)                                   |
| Current tax liabilities   | 531                                 | 531  |
| Deferred tax liabilities  | (13,921)                            | (1,530)                                    |
| Borrowings  | (5,242)                             | (5,242)                                    |
| Net assets acquired   | 83,756                              | 32,399                                     |
| Purchase consideration and direct costs relating to the acquisition settled in cash |                                     | 64,620                                     |
| Cash and cash equivalents in subsidiary acquired                                    |                                     | (17,937)                                   |
| Cash outflow on acquisition   |                                     | 46,683                                     |

### 39 ACQUISITION OF SUBSIDIARIES (cont'd)

#### (b) UPD 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. Subsequent to the acquisition date, an additional consideration of RM500,000 was paid to Utusan Melayu (Malaysia) Berhad.

The acquisitions of UPD was completed on 28 February 2007.

The acquired business contributed revenues of RM11,334,384 and net profit of RM2,157,307 to the Group for the period from 28 February 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, Group revenue and net profit would have been increased by RM13,128,563 and RM1,059,434 respectively. These amounts would have been calculated using the Group's accounting policies.

Details of net assets acquired and the resulting intangibles and goodwill are as follows:

|   | RM'000 |
|---|--------|
| Purchase consideration:                               |        |
| - Cash paid   | 500    |
| - Direct costs relating to the acquisition            | 76     |
| Total purchase consideration                          | 576    |
| Fair value of net liabilities acquired                | 7,039  |
|   | 7,615  |
| Intangible assets – Acquired concession rights        | (314)  |
| Deferred tax liabilities on fair value of intangibles | 85     |
| Goodwill  | 7,386  |

The goodwill is attributable to the synergies expected to arise for the Group after the Group's acquisition of this subsidiary.

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

|   | At date of<br>acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---|-------------------------------------|--|
| Property, plant and equipment (Notes 25)  | 7,130                               | 7,130                                      |
| Intangible assets (Note 31)   | 314                                 | –  |
| Trade and other receivables   | 5,748                               | 5,748                                      |
| Cash and bank balances  | (864)                               | (864)                                      |
| Trade and other payables  | (19,001)                            | (19,001)                                   |
| Deferred tax liabilities  | (85)                                | –  |
| Borrowings  | (52)                                | (52)                                       |
| Net assets acquired   | (6,810)                             | (7,039)                                    |
| Purchase consideration and direct costs relating to the acquisition settled in cash |                                     | 576  |
| Cash and cash equivalents in subsidiary acquired                                    |                                     | 864  |
| Cash outflow on acquisition   |                                     | 1,440                                      |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 39 ACQUISITION OF SUBSIDIARIES (cont'd)

#### (c) The Right Channel Sdn. Bhd.

On 30 November 2006, the Company 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 acquisition of TRC was completed on 28 February 2007.

The acquired business contributed revenues of RM2,352,450 and net profit of RM6,272,504 to the Group for the period from 28 February 2007 to 31 December 2007. If the acquisition had occurred on 1 January 2007, Group revenue and net profit would have been increased by RM2,606,065 and RM5,711,870 respectively. These amounts are calculated using the Group's accounting policies.

Details of net assets acquired and the resulting intangibles and goodwill are as follows:

|   | RM'000  |
|---|---------|
| Purchase consideration:                               |         |
| – Cash paid   | –       |
| – Direct costs relating to the acquisition            | 138     |
| Total purchase consideration                          | 138     |
| Fair value of net liabilities acquired                | 14,426  |
|   | 14,564  |
| Intangibles assets – Acquired concession rights       | (2,953) |
| Deferred tax liabilities on fair value of intangibles | 164     |
| Goodwill  | 11,775  |

The goodwill is attributable to the synergies expected to arise for the Group after the Group's acquisition of this subsidiary.

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

|   | At date of<br>acquisition<br>RM'000 | Acquiree's<br>carrying<br>amount<br>RM'000 |
|---|-------------------------------------|--|
| Property, plant and equipment (Note 25)   | 1,506                               | 1,506                                      |
| Intangible assets (Note 31)   | 2,953                               | –  |
| Trade and other receivables   | 956                                 | 956  |
| Cash and bank balances  | 407                                 | 407  |
| Trade and other payables  | (17,010)                            | (17,010)                                   |
| Current tax liabilities   | (243)                               | (243)                                      |
| Deferred tax liabilities  | (206)                               | (42)                                       |
| Net assets acquired   | (11,637)                            | (14,426)                                   |
| Purchase consideration and direct costs relating to the acquisition settled in cash |                                     | 138  |
| Cash and cash equivalents in subsidiary acquired                                    |                                     | (407)                                      |
| Cash inflow in acquisition  |                                     | (269)                                      |

#### 40 CASH FLOWS GENERATED FROM OPERATIONS

|   | Group          |                | Company         |                 |
|---|----------------|----------------|-----------------|-----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000  | 2006<br>RM'000  |
| Net profit for the financial year   | 117,440        | 82,994         | 93,080          | 3,923           |
| Adjustments for:  |                |                |                 |                 |
| Programmes, film rights and album production cost                             |                |                |                 |                 |
| - Amortisation  | 179,650        | 152,727        | -               | -               |
| - Write off   | 44             | 520            | -               | -               |
| Prepaid expenditure written off   | 284            | 284            | -               | -               |
| Property, plant and equipment   |                |                |                 |                 |
| - Depreciation  | 37,639         | 27,016         | 7               | 4               |
| - Gain on disposals   | (199)          | (413)          | -               | -               |
| - Write off   | 305            | -              | -               | -               |
| Investment properties   |                |                |                 |                 |
| - Depreciation  | 274            | 1,567          | -               | -               |
| - loss on disposal  | 83             | -              | -               | -               |
| Amortisation of prepaid lease rentals   | 827            | 225            | -               | -               |
| Amortisation of intangibles   | 6,823          | -              | -               | -               |
| (Write back)/charge of impairment losses on assets                            | (4,278)        | 2,165          | -               | -               |
| Loss on measurement of asset held-for-sale to fair value<br>less cost to sell | -              | 1,941          | -               | -               |
| Prepaid programme and film rights<br>written off                              | -              | 2,680          | -               | -               |
| Interest expenses   | 24,209         | 24,847         | 15,972          | 12,833          |
| Amortisation of transaction fees – UREB                                       | 1,238          | 262            | 1,238           | 262             |
| Reversal of allowance for diminution in value of quoted investments           | (912)          | (204)          | -               | -               |
| Net unrealised exchange gain  | (547)          | (463)          | -               | (106)           |
| Share of results of an associate  | (14,044)       | (10,635)       | -               | -               |
| Dividend income   | (53)           | (135)          | (146,494)       | (6,730)         |
| Interest income   | (2,338)        | (2,048)        | (6,327)         | (6,321)         |
| Taxation  | 31,655         | 22,657         | 37,936          | 1,992           |
| Options granted during the year   | 1,266          | -              | 71              | -               |
|   | <b>379,366</b> | <b>305,987</b> | <b>(4,517)</b>  | <b>5,857</b>    |
| Changes in working capital:   |                |                |                 |                 |
| Inventories   | 865            | (112)          | -               | -               |
| Receivables   | (54,619)       | (27,273)       | (1,998)         | (35)            |
| Payables  | (173,426)      | (189,035)      | 42,831          | 12,292          |
| Subsidiaries  | -              | -              | (123,200)       | (34,855)        |
| Associates  | 5,999          | 224            | -               | -               |
| Cash flows generated from / (used in) operations                              | <b>158,185</b> | <b>89,791</b>  | <b>(86,884)</b> | <b>(16,741)</b> |

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 41 SIGNIFICANT NON-CASH TRANSACTIONS

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

|   | Group          |                |
|---|----------------|----------------|
|   | 2007<br>RM'000 | 2006<br>RM'000 |
| Property, plant and equipment obtained through:                           |                |                |
| - contra arrangements with customers                                      | 1,704          | 1,715          |
| - hire-purchase arrangements  | 2,253          | 12,552         |
| Investment properties obtained through contra arrangements with customers | -              | 295            |

### 42 SIGNIFICANT RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Directors (executive/non-executive) of the Company and includes senior management.

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Key management:                              |                |                |                |                |
| - Fees                                       | 490            | 374            | 272            | 194            |
| - Basic salaries and bonus                   | 5,276          | 3,992          | 1,961          | 1,388          |
| - Allowance                                  | 1,496          | 1,308          | 732            | 495            |
| - Defined contribution retirement plan       | 1,031          | 813            | 396            | 298            |
|  | 8,293          | 3,501          | 3,361          | 2,375          |
| Estimated monetary value of benefits-in-kind | 248            | 257            | 16             | 48             |

#### 42 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 10) as follows:

| Grant date                                       | Expiry date     | Exercise price<br>RM/share | Number of options over ordinary shares of RM1.00 each |                 |                   |                                   |
|--|-----------------|----------------------------|---|-----------------|-------------------|-----------------------------------|
|  |                 |                            | At<br>1 January<br>2007<br>'000                       | Granted<br>'000 | Exercised<br>'000 | At<br>31 December<br>2007<br>'000 |
| <b>Financial year ended<br/>31 December 2007</b> |                 |                            |   |                 |                   |                                   |
| 11 January 2005                                  | 10 January 2010 | 1.55                       | 2,210   | –               | (1,390)           | 820                               |
| 14 December 2005                                 | 10 January 2010 | 1.46                       | 2,180   | –               | (1,730)           | 450                               |
|  |                 |                            | 4,390   | –               | (3,120)           | 1,270                             |

| Grant date                                       | Expiry date     | Exercise price<br>RM/share | Number of options over ordinary shares of RM1.00 each |                 |                   |                                   |
|--|-----------------|----------------------------|---|-----------------|-------------------|-----------------------------------|
|  |                 |                            | At 1 January<br>2006/Date of<br>appointment<br>'000   | Granted<br>'000 | Exercised<br>'000 | At<br>31 December<br>2006<br>'000 |
| <b>Financial year ended<br/>31 December 2006</b> |                 |                            |   |                 |                   |                                   |
| 11 January 2005                                  | 10 January 2010 | 1.55                       | 2,620   | –               | (410)             | 2,210                             |
| 14 December 2005                                 | 10 January 2010 | 1.46                       | 4,230   | –               | (2,050)           | 2,180                             |
|  |                 |                            | 6,850   | –               | (2,460)           | 4,390                             |

Included in the key management compensation is Directors' remuneration as disclosed under Note 6 to the financial statements

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 42 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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                | Company |        |
|---|-----------------------------|---------|--------|
|   |                             | 2007    | 2006   |
|   |                             | RM'000  | RM'000 |
| The New Straits Times Press (Malaysia) Berhad ("NSTP")                  | An associate of the Company |         |        |
| Sistem Televisyen Malaysia Berhad                                       | A Subsidiary of the Company |         |        |
| Metropolitan TV Sdn Bhd   | A Subsidiary of the Company |         |        |
| Natseven TV Sdn Bhd   | A Subsidiary of the Company |         |        |
| Ch-9 Media Sdn Bhd  | A Subsidiary of the Company |         |        |
| Big Tree Outdoor Sdn Bhd  | A Subsidiary of the Company |         |        |
| (a) Fees receivable in relation to provision of procurement service to: |                             |         |        |
| - Sistem Televisyen Malaysia Berhad                                     |                             | 5,109   | 6,125  |
| - Metropolitan TV Sdn Bhd   |                             | 2,126   | 4,018  |
| - Natseven TV Sdn Bhd   |                             | 1,497   | 1,985  |
| - Ch-9 Media Sdn Bhd  |                             | 1,988   | 1,631  |
| (b) Interest receivable in relation to advances given to:               |                             |         |        |
| - Sistem Televisyen Malaysia Berhad                                     |                             | 4,950   | 4,950  |
| (c) Dividens received/receivable net of tax from:                       |                             |         |        |
| - Sistem Televisyen Malaysia Berhad                                     |                             | 80,366  | 1,460  |
| - Big Tree Outdoor Sdn Bhd  |                             | 19,710  | -      |
| - NSTP  |                             | 6,864   | 3,385  |
| (d) Loan due from   |                             |         |        |
| - Sistem Televisyen Malaysia Berhad                                     |                             | 99,000  | 99,000 |

The Group and its associate, NSTP, have an arrangement whereby all sales and placement of advertisements between the two Groups of 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.

### 43 CHANGES IN ACCOUNTING POLICIES

The following describes the impact of the new standards, effective for the Group's and Company's financial years beginning on or after 1 January 2007, on the financial statements of the Group and the Company.

#### (a) Irrelevant or immaterial effect on financial statements

The adoption of FRS 124 has no significant impact on the financial statements of the Group and the Company, other than the identification of related parties and some related party disclosures. The related party disclosures are set out in Note 42 to the financial statements.

#### (b) Reclassification of prior year comparatives

FRS 117 "Leases" requires the classification of leasehold land as prepaid lease rental. Accordingly, leasehold land of the Group has been reclassified from property, plant and equipment and investment properties to prepaid lease rentals.

#### 43 CHANGES IN ACCOUNTING POLICIES (cont'd)

##### (c) Restatement of comparatives

The following comparative amounts have been restated due to the adoption of FRS 117:

|   | As previously<br>reported<br>RM'000 | Changes in accounting policies<br>Effects of<br>adoption of<br>FRS 117<br>RM'000 | As<br>restated<br>RM'000 |
|---|-------------------------------------|--|--------------------------|
| <b>Group</b>  |                                     |  |                          |
| <b>Income statements/Cash flow statements for financial year ended<br/>31 December 2006</b> |                                     |  |                          |
| Depreciation of property, plant and equipment   | (27,022)                            | 6  | (27,016)                 |
| Depreciation of investment properties   | (1,786)                             | 219  | (1,567)                  |
| Amortisation of prepaid lease rentals   | -                                   | (225)  | (225)                    |
| <b>Balance sheet as at 31 December 2006</b>   |                                     |  |                          |
| Property, plant and equipment   | 175,195                             | (386)  | 174,809                  |
| Investment properties   | 13,585                              | (3,224)  | 10,361                   |
| Prepaid lease rentals   | -                                   | 3,610  | 3,610                    |

#### 44 COMMITMENTS

##### (a) Capital commitments

|  | 2007<br>RM'000 | Group<br>2006<br>RM'000 |
|--|----------------|-------------------------|
| Capital commitments, approved but not contracted for |                |                         |
| - Property, plant and equipment                      | 50,445         | 30,846                  |
| - Programmes and film rights                         | 193,553        | 123,663                 |
|  | 243,998        | 154,509                 |
| Capital commitments, approved and contracted for     |                |                         |
| - Acquisition of subsidiaries                        | -              | 140,634                 |
|  | 243,998        | 295,143                 |
| Share of an associate's capital commitments          | 25,228         | 18,797                  |

##### (b) Operating lease commitments

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

|  | 2007<br>RM'000 | Group<br>2006<br>RM'000 |
|--|----------------|-------------------------|
| - Not later than 1 year                        | 10,438         | 9,263                   |
| - Later than 1 year and not later than 5 years | 17,618         | 26,701                  |
| - Later than 5 years                           | 1,164          | 2,521                   |
|  | 29,220         | 38,485                  |

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.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 45 CONTINGENT LIABILITIES

#### (a) Material litigation

- (i) A claim of RM100 million (2006: 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.
- (ii) A claim of RM24 million (2006: RM24 million) for an alleged breach of contract for the marketing of STMB's Tamil belt programme was brought against STMB in 2002. The parties are in the process of settling the matter out of court upon mutually agreed terms.
- (iii) Three new claims totalling RM270 million (2006: RM Nil) for defamation action was brought against STMB during the financial year for visual images and statements made during its news programme broadcasted in 2006 and 2007. The Directors are of the opinion, based on legal advice, that the claims have no merit and are unlikely to succeed.
- (iv) A claim of RM100 million (2006: 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.

(b) The Group is a defendant in various other legal actions with contingent liabilities amounting to approximately RM3.6 million (2006: RM11 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) There are several libel suits which involve claims against NSTP, 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 2007 as the Directors of the associate 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.

### 46 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.

#### 46 SEGMENTAL ANALYSIS (cont'd)

(b) Secondary reporting format – geographical segment

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

|                   | Revenue<br>RM'000 | Capital<br>expenditure<br>RM'000 | Total<br>segment<br>assets*<br>RM'000 |
|-------------------|-------------------|----------------------------------|---------------------------------------|
| <b>2007</b>       |                   |                                  |                                       |
| Malaysia          | 666,958           | 35,046                           | 1,186,778                             |
| Republic of Ghana | 23,238            | 8,655                            | 27,988                                |
|                   | <b>690,196</b>    | <b>43,701</b>                    | <b>1,214,766</b>                      |
| <b>2006</b>       |                   |                                  |                                       |
| Malaysia          | 515,697           | 40,477                           | 897,301                               |
| Republic of Ghana | 18,992            | 1,829                            | 34,332                                |
|                   | <b>534,689</b>    | <b>42,306</b>                    | <b>931,633</b>                        |

\* Excludes deferred tax assets and tax recoverable

#### 47 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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.

## notes to the financial statements (cont'd)

for the financial year ended 31 december 2007

### 47 FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

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

|  | 2007                      |                      | 2006                      |                      |
|--|---------------------------|----------------------|---------------------------|----------------------|
|  | Carrying amount<br>RM'000 | Fair value<br>RM'000 | Carrying amount<br>RM'000 | Fair value<br>RM'000 |
| <b>Group</b>                                     |                           |                      |                           |                      |
| Investments                                      |                           |                      |                           |                      |
| - Quoted shares ^                                | 164                       | 189                  | 98                        | 185                  |
| - Quoted property and unit trusts ^              | 3,234                     | 3,234                | 2,388                     | 2,402                |
| - Unquoted investments                           | 206                       | Note (a)             | 206                       | Note (a)             |
| Irredeemable convertible unsecured loan stocks ^ | 9,275                     | 15,488               | 13,921                    | 21,996               |
| Bank guaranteed medium term notes *              | 162,351                   | 170,000              | -                         | -                    |
| Medium term notes *                              | -                         | -                    | 70,000                    | 76,885               |
| Unsecured redeemable exchangeable bonds *        | -                         | -                    | 83,762                    | 92,100               |
| Redeemable unsecured loan stocks (non-current) * | -                         | -                    | 31,022                    | 31,330               |
| Term loans (secured) (non-current) *             | -                         | -                    | 70,000                    | 73,173               |
| Term loans (unsecured) (non-current) *           | 56,865                    | 63,815               | -                         | -                    |
| Hire-purchase and lease creditors *              | 11,725                    | 11,463               | 12,059                    | 12,526               |
| Trade and other payables (non-current) *         | -                         | -                    | 18,732                    | 17,628               |
| <b>Company</b>                                   |                           |                      |                           |                      |
| Irredeemable convertible unsecured loan stocks ^ | 9,275                     | 15,488               | 13,921                    | 21,996               |
| Bank guaranteed medium term notes *              | 162,351                   | 170,000              | -                         | -                    |
| Medium term notes *                              | -                         | -                    | 70,000                    | 76,885               |
| Term loans (unsecured) (non-current) *           | 56,000                    | 62,949               | -                         | -                    |
| Unsecured redeemable exchangeable bonds *        | -                         | -                    | 83,762                    | 92,100               |
| Trade and other payables (non-current) *         | -                         | -                    | 8,507                     | 7,877                |

#### Note (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.

## 48 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 constantly monitored by management. 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 (cont'd)

for the financial year ended 31 december 2007

### 48 FINANCIAL RISK MANAGEMENT (cont'd)

#### (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.

### 49 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 7 March 2008.

## 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, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 139 to 214 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 2007 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 7 March 2008.

**DATO' ABDUL MUTALIB BIN DATUK SERI MOHAMED RAZAK**  
CHAIRMAN

**ABDUL RAHMAN AHMAD**  
GROUP MANAGING DIRECTOR

## statutory declaration

pursuant to section 169(16) of the companies act, 1965

I, Amil Izham Hamzah, the Officer primarily responsible for the financial management of Media Prima Berhad, do solemnly and sincerely declare that the financial statements set out on pages 139 to 214 are, in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**AMIL IZHAM HAMZAH**

Subscribed and solemnly declared by the above named Amil Izham Hamzah, at Petaling Jaya, Malaysia on 7 March 2008, before me.

**COMMISSIONER FOR OATHS**

## report of the auditors

to the members of media prima berhad

We have audited the financial statements set out on pages 139 to 214. 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 the Company as at 31 December 2007 and of the results and cash flows of the Group and 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 28 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

7 March 2008

## analysis of shareholdings

as at 29 February 2008

|                         |                               |
|-------------------------|-------------------------------|
| Authorised Capital      | : RM2,000,000,000             |
| Issued and paid capital | : RM844,738,046               |
| Class of shares         | : Ordinary Shares of RM1 each |
| No. of Shareholders     | : 28,295                      |

### DISTRIBUTION SCHEDULE OF SHARE (ORDINARY)

As At 29 February 2008

| Size of Shareholdings                    | No. of Holders | % of Shareholders | No. of Shares      | % of Share Capital |
|--|----------------|-------------------|--------------------|--------------------|
| less than 100                            | 4,899          | 17.31             | 209,378            | 0.02               |
| 100 to 1,000                             | 14,083         | 49.77             | 7,048,829          | 0.83               |
| 1,001 to 10,000                          | 8,362          | 29.55             | 24,456,530         | 2.90               |
| 10,001 to 100,000                        | 761            | 2.69              | 18,897,398         | 2.24               |
| 100,001 to less than 5% of issued shares | 188            | 0.67              | 494,336,983        | 58.52              |
| 5% and above of issued shares            | 2              | 0.01              | 299,788,928        | 35.49              |
| <b>TOTAL</b>                             | <b>28,295</b>  | <b>100.00</b>     | <b>844,738,046</b> | <b>100.00</b>      |

### LIST OF DIRECTORS' SHAREHOLDINGS (ORDINARY)

as at 29 February 2008

| No. Names  | Direct Holdings | Indirect Holdings | Total Shares   | %           |
|--|-----------------|-------------------|----------------|-------------|
| 1 Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak                             | –               | –                 | –              | –           |
| 2 Abdul Rahman Bin Ahmad<br>Registered With Cimsec Nominees Tempatan Sdn. Bhd. | –               | 600,000           | 600,000        | 0.07        |
| 3 Shahril Ridza bin Ridzuan  | –               | –                 | –              | –           |
| 4 Dato' Dr Mohd Shahari Bin Ahmad Jabar  | –               | –                 | –              | –           |
| 5 Tan Sri Lee Lam Thye   | –               | –                 | –              | –           |
| 6 Dato' Sri Ahmad Farid Bin Ridzuan  | 190,000         | –                 | 190,000        | 0.02        |
| 7 Hj Datuk Kamarulzaman Bin Haji Zainal  | 200,000         | –                 | 200,000        | 0.02        |
| 8 Dato' Seri Mohamed Jawhar  | –               | –                 | –              | –           |
| 9 Dato' Abdul Kadir Bin Mohd Deen  | –               | –                 | –              | –           |
| <b>Total</b>   |                 |                   | <b>990,000</b> | <b>0.11</b> |

### LIST OF SUBSTANTIAL SHAREHOLDERS (5% And Above) (ORDINARY)

As At 29 February 2008

| Name  | Shareholdings | %     |
|---|---------------|-------|
| 1 Employees Provident Fund Board  | 182,799,558   | 21.64 |
| 2 Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br>(Alliance Investment Management Berhad for Gabungan Kesturi Sdn. Bhd.) | 116,989,370   | 13.85 |

## analysis of shareholdings (cont'd)

as at 29 February 2008

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY)

As At 29 February 2008

|    | Name   | Investor ID | Shares      | %     |
|----|--|-------------|-------------|-------|
| 1  | Employees Provident Fund Board   | EPFACT1991  | 182,799,558 | 21.64 |
| 2  | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br>(Alliance Investment Management Berhad For Gabungan Kesturi Sdn. Bhd.)              | 42234H      | 116,989,370 | 13.85 |
| 3  | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For JPMorgan Chase Bank, National Association U.K.)                                  | 4381U       | 30,645,100  | 3.63  |
| 4  | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For Morgan Stanley & Co Incorporated)  | 4381U       | 26,942,440  | 3.19  |
| 5  | Cartaban Nominees (Asing) Sdn. Bhd.<br>[Government Of Singapore Investment Corporation Pte Ltd For<br>Government Of Singapore (c)] | 263367W     | 24,434,800  | 2.89  |
| 6  | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For Morgan Stanley & Co International Plc)   | 4381U       | 22,593,200  | 2.67  |
| 7  | Citigroup Nominees (Asing) Sdn. Bhd.<br>(CB LUX For Vontobel Fund - Far East Equity)   | 263875D     | 22,350,400  | 2.65  |
| 8  | Alliancegroup Nominees (Asing) Sdn. Bhd.<br>(Alliance Investment Management Berhad For Altima Inc)                                 | 272859W     | 21,333,056  | 2.53  |
| 9  | Citigroup Nominees (Asing) Sdn. Bhd.<br>(GSCO For Indus Asia Pacific Master Fund Ltd)  | 263875D     | 20,737,800  | 2.45  |
| 10 | Cartaban Nominees (Asing) Sdn. Bhd.<br>(SSBT Fund 21B6 For The Oakmark International Small Cap Fund)                               | 263367W     | 19,687,400  | 2.33  |
| 11 | Sunnetic Sdn. Bhd.   | 579859P     | 19,285,715  | 2.28  |
| 12 | HSBC Nominees (Asing) Sdn. Bhd.<br>(Morgan Stanley & Co International Plc Firm A/C)  | 4381U       | 19,158,378  | 2.27  |
| 13 | HSBC Nominees (Asing) Sdn. Bhd.<br>(TNTC For Saudi Arabian Monetary Agency)  | 4381U       | 17,017,700  | 2.01  |
| 14 | Citigroup Nominees (Asing) Sdn. Bhd.<br>(Exempt An For Mellon Bank Mellon)   | 263875D     | 14,465,500  | 1.71  |
| 15 | HSBC Nominees (Asing) Sdn. Bhd.<br>(BNY Brussels For Special Foreningen Bankpension Emerging Markets Aktier Pal)                   | 4381U       | 12,530,400  | 1.48  |

**LIST OF THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY) (cont'd)**

As At 29 February 2008

|    | <b>Name</b>  | <b>Investor ID</b> | <b>Shares</b> | <b>%</b> |
|----|--|--------------------|---------------|----------|
| 16 | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For JPMorgan Chase Bank, National Association U.A.E.)  | 4381U              | 11,150,600    | 1.32     |
| 17 | HSBC Nominees (Asing) Sdn. Bhd.<br>(BBH (LUX) SCA For Fidelity Funds Malaysia)   | 4381U              | 10,720,700    | 1.27     |
| 18 | Cartaban Nominees (Asing) Sdn. Bhd.<br>[Government Of Singapore Investment Corporation Pte Ltd<br>For Monetary Authority Of Singapore (H)] | 263367W            | 10,500,500    | 1.24     |
| 19 | HSBC Nominees (Asing) Sdn. Bhd.<br>(BNY Brussels For Brooklawn House)  | 4381U              | 10,250,000    | 1.21     |
| 20 | Cartaban Nominees (Asing) Sdn. Bhd.<br>(SSBT Fund WB2M For Bill And Melinda Gates Foundation Trust)  | 263367W            | 7,461,100     | 0.88     |
| 21 | Citigroup Nominees (Tempatan) Sdn. Bhd.<br>(Exempt An For Prudential Fund Management Berhad)   | 267011M            | 6,705,163     | 0.79     |
| 22 | Cartaban Nominees (Asing) Sdn. Bhd.<br>(Investors Bank And Trust Company For Ishares Inc)  | 263367W            | 5,874,800     | 0.70     |
| 23 | RHB Nominees (Tempatan) Sdn. Bhd.<br>[RHB Investment Management Sdn. Bhd. For Telekom Malaysia Berhad (c)]                                 | 259064V            | 5,222,214     | 0.62     |
| 24 | HSBC Nominees (Asing) Sdn. Bhd.<br>(UBS AG Zurich For SBC LUX Equity Portfolio Malaysia)   | 4381U              | 4,843,300     | 0.57     |
| 25 | Am Nominees (Tempatan) Sdn. Bhd.<br>(Employees Provident Fund Board A/C 1)   | 445276X            | 4,443,900     | 0.53     |
| 26 | Citigroup Nominees (Asing) Sdn. Bhd.<br>(CB LUX For Vontobel Fund Emerging Markets Equity)   | 263875D            | 4,420,900     | 0.52     |
| 27 | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For JPMorgan Chase Bank, National Association Netherlands)                                   | 4381U              | 4,241,500     | 0.50     |
| 28 | Cartaban Nominees (Asing) Sdn. Bhd.<br>(State Street Luxembourg Fund 9T02 For Emerging Markets High Value Teilfonds)                       | 263367W            | 4,226,700     | 0.50     |
| 29 | Minister Of Finance  | MOFIACT3751957     | 4,140,027     | 0.49     |
| 30 | HSBC Nominees (Asing) Sdn. Bhd.<br>(UBS Ag Zurich For UBS Equity Invest Asia New Horizon)  | 4381U              | 4,120,200     | 0.49     |

## analysis of shareholdings (cont'd)

No. of ICULS converted : RM 172,610,353  
 No. of ICULS Outstanding : RM 7,389,647  
 Conversion period : 18 July 2003 to 18 July 2008

### DISTRIBUTION SCHEDULE OF ICULS

As At 29 February 2008

| Size of ICULS holdings                   | No. of<br>ICULS Holders | % of<br>ICULS Holders | No. of<br>ICULS Shares | % of<br>ICULS Holding |
|--|-------------------------|-----------------------|------------------------|-----------------------|
| less than 100                            | 376                     | 11.55                 | 15,644                 | 0.21                  |
| 100 to 1,000                             | 1,996                   | 61.30                 | 1,231,014              | 16.66                 |
| 1,001 to 10,000                          | 820                     | 25.19                 | 2,384,591              | 32.27                 |
| 10,001 to 100,000                        | 61                      | 1.87                  | 1,562,776              | 21.15                 |
| 100,001 to less than 5% of issued shares | 2                       | 0.06                  | 301,666                | 4.08                  |
| 5% and above of issued shares            | 1                       | 0.03                  | 1,893,956              | 25.63                 |
| <b>TOTAL</b>                             | <b>3,256</b>            | <b>100.00</b>         | <b>7,389,647</b>       | <b>100.00</b>         |

### LIST OF DIRECTORS' SHAREHOLDINGS (ICULS)

As At 29 February 2008

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

### LIST OF SUBSTANTIAL ICULS HOLDERS (5% And Above) (ICULS)

As At 29 February 2008

| Name  | Investor ID | No. of<br>ICULS held | %     |
|---|-------------|----------------------|-------|
| 1 CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>(CIMB for Malaysian Resources Corporation Berhad) | 265449P     | 1,893,956            | 25.63 |

**LIST OF THIRTY (30) LARGEST ICULS HOLDERS**

As At 29 February 2008

|    | Name   | Investor ID    | No. of<br>ICULS held | %     |
|----|--|----------------|----------------------|-------|
| 1  | CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>[CIMB For Malaysian Resources Corporation Berhad (CASS)]           | 265449P        | 1,893,956            | 25.63 |
| 2  | HSBC Nominees (Asing) Sdn. Bhd.<br>(Exempt An For JPMorgan Chase Bank, National Association U.K.)          | 4381U          | 151,666              | 2.05  |
| 3  | HSBC Nominees (Tempatan) Sdn. Bhd.<br>(HSBC Malaysia Trustee Bhd For OSK-UOB Smart Balanced Fund)          | 258854D        | 150,000              | 2.03  |
| 4  | Wui Mee Ling   | 690215-08-6202 | 91,016               | 1.23  |
| 5  | HSBC Nominees (Tempatan) Sdn. Bhd.<br>[HSBC Malaysia Trustee Bhd For Growthpath 2025 (4587-005)]           | 258854D        | 90,000               | 1.22  |
| 6  | CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>(Kim Eng Securities Pte Ltd For Tay Tong Tai)                      | 265449P        | 80,600               | 1.09  |
| 7  | TSI Films Limited  | 255008         | 77,263               | 1.05  |
| 8  | Yeoh Tiong Lay   | 291218-10-5079 | 73,000               | 0.99  |
| 9  | Toh Yew Keong  | 551008-07-5367 | 60,000               | 0.81  |
| 10 | CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>[CIMB Bank For Mohammed Amin Bin Mahmud (MM1004)]                  | 265449P        | 58,100               | 0.79  |
| 11 | HSBC Nominees (Tempatan) Sdn. Bhd.<br>[HSBC Malaysia Trustee Bhd For OSK-UOB Smart Income Fund (4694-004)] | 258854D        | 53,700               | 0.73  |
| 12 | TCL Nominees (Asing) Sdn. Bhd.<br>(OCBC Securities Pte Ltd For Kwa Chui Lan)                               | 455044H        | 50,000               | 0.68  |
| 13 | Arif Bin Faruk   | 760825-14-5709 | 37,300               | 0.50  |
| 14 | Low Keng Boon @ Lau Boon Sen   | 411120-10-5349 | 30,000               | 0.41  |
| 15 | YTL Power Generation Sdn. Bhd.   | 252932H        | 29,900               | 0.40  |
| 16 | Siew Yau Wai @ Siew Ah Why   | 470813-08-5029 | 29,700               | 0.40  |

## analysis of shareholdings (cont'd)

### LIST OF THIRTY (30) LARGEST ICULS HOLDERS (ICULS) (cont'd)

As At 29 February 2008

| Name   | Investor ID    | No. of ICULS held | %    |
|--|----------------|-------------------|------|
| 17 Ke-Zan Nominees (Tempatan) Sdn. Bhd.<br>(Kim Eng Securities Pte Ltd For Sulaiman Bin Bawi)        | 94309V         | 29,000            | 0.39 |
| 18 CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>(Exempt An For CIMB-GK Securities Pte Ltd Retail Clients) | 265449P        | 29,000            | 0.39 |
| 19 HSBC Nominees (Tempatan) Sdn. Bhd.<br>[HSBC Malaysia Trustee Bhd For Growthpath 2015 (4587-003)]  | 258854D        | 28,500            | 0.39 |
| 20 RHB Nominees (Tempatan) Sdn. Bhd.<br>(Pledged Securities Account For Dorairajoo A/I Irulandy)     | 259064V        | 25,777            | 0.35 |
| 21 Hamidon Bin Abdullah  | 530129-01-6037 | 24,555            | 0.33 |
| 22 Juita-Viden Sdn. Bhd.   | TEM102714K     | 24,487            | 0.33 |
| 23 YTL Power International Berhad  | 406684H        | 24,000            | 0.32 |
| 24 Koh Kok Cheng   | 560201-04-5009 | 22,277            | 0.30 |
| 25 Loh Chee Yau  | 510219-08-5513 | 22,000            | 0.30 |
| 26 HLG Nominee (Asing) Sdn. Bhd.<br>[Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)]               | 250883D        | 21,766            | 0.29 |
| 27 HDM Nominees (Tempatan) Sdn. Bhd.<br>(Kim Eng Securities Pte Ltd For Tay Tong Tai)                | 41117T         | 20,511            | 0.28 |
| 28 Choy Shien Ing  | 840701-01-5339 | 20,200            | 0.27 |
| 29 Zainal Abidin Bin Abdul Majeed  | 480417-08-5245 | 20,022            | 0.27 |
| 30 Ng Chan Fai   | 640424-08-5091 | 20,000            | 0.27 |

No. of warrant exercised : 110,681,066  
 No. of warrant Outstanding : 4,318,934  
 Exercised period : 31 July 2003 to 31 July 2008

#### DISTRIBUTION SCHEDULE OF WARRANTS

As At 29 February 2008

| Size of Warrant holdings                 | No. of warrant Holders | % of warrant holders | No. of warrant   | % of warrant holding |
|--|------------------------|----------------------|------------------|----------------------|
| less than 100                            | 139                    | 19.61                | 6,582            | 0.15                 |
| 100 to 1,000                             | 340                    | 47.95                | 212,888          | 4.93                 |
| 1,001 to 10,000                          | 191                    | 26.94                | 685,660          | 15.88                |
| 10,001 to 100,000                        | 32                     | 4.51                 | 819,861          | 18.98                |
| 100,001 to less than 5% of issued shares | 3                      | 0.42                 | 441,300          | 10.22                |
| 5% and above of issued shares            | 4                      | 0.57                 | 2,152,643        | 49.84                |
| <b>TOTAL</b>                             | <b>709</b>             | <b>100.00</b>        | <b>4,318,934</b> | <b>100.00</b>        |

#### LIST OF DIRECTORS' WARRANT HOLDINGS (WARRANTS)

As At 29 February 2008

None of the Directors of the Company has any direct or indirect interest in the warrants.

#### LIST OF SUBSTANTIAL WARRANT HOLDERS (5% And Above) (WARRANTS)

As At 29 February 2008

| Name   | Investor ID    | No. of warrant held | %     |
|--|----------------|---------------------|-------|
| 1 Citigroup Nominees (Asing) Sdn. Bhd.<br>(CBHK PBGHK For Golden Millennium Worldwide Limited) | 263875D        | 800,000             | 18.52 |
| 2 Wui Mee Ling   | 690215-08-6202 | 735,743             | 17.04 |
| 3 Toh Yew Keong  | 551008-07-5367 | 385,900             | 8.94  |
| 4 CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>(CIMB Bank For Mohammed Amin Bin Mahmud)             | 265449P        | 231,000             | 5.35  |

## analysis of shareholdings (cont'd)

### LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (WARRANTS)

As At 29 February 2008

|    | Name   | Investor ID    | No. of Warrants held | %     |
|----|--|----------------|----------------------|-------|
| 1  | Citigroup Nominees (Asing) Sdn. Bhd.<br>(CBHK PBGHK For Golden Millennium Worldwide Limited) | 263875D        | 800,000              | 18.52 |
| 2  | Wui Mee Ling   | 690215-08-6202 | 735,743              | 17.04 |
| 3  | Toh Yew Keong  | 551008-07-5367 | 385,900              | 8.94  |
| 4  | CIMSEC Nominees (Tempatan) Sdn. Bhd.<br>[CIMB Bank For Mohammed Amin Bin Mahmud (MM1004)]    | 265449P        | 231,000              | 5.35  |
| 5  | Mayban Nominees (Tempatan) Sdn. Bhd.<br>(Mayban Trustees Berhad For PB Asean Dividend Fund)  | 258939H        | 178,300              | 4.13  |
| 6  | Sai Yee @ Sia Say Yee  | 400607-10-5427 | 155,000              | 3.59  |
| 7  | Mayban Nominees (Asing) Sdn. Bhd.<br>(Pledged Securities Account For Teo Huay Siong)         | 258956H        | 108,000              | 2.50  |
| 8  | Teo Huay Siong   | S1330352E      | 75,000               | 1.74  |
| 9  | Cheong Chong Kong @ Chong Cheong Kin   | 420619-08-5011 | 55,000               | 1.27  |
| 10 | Chin Chein Tet   | 340306-08-5037 | 50,000               | 1.16  |
| 11 | Lee Chee Beng  | 631008-04-5299 | 45,800               | 1.06  |
| 12 | Lee Chin Watt @ Lee Lip Giap   | 411203-04-5011 | 40,000               | 0.93  |
| 13 | Mazlan Bin Muhamed   | 551106-03-5019 | 32,000               | 0.74  |
| 14 | Soo Choon Swee   | 4735490        | 30,000               | 0.69  |
| 15 | TA Nominees (Tempatan) Sdn. Bhd.<br>(Pledged Securities Account For Ong Lee Chuan)           | 268290H        | 30,000               | 0.69  |
| 16 | YTL Power Generation Sdn. Bhd.   | 252932H        | 29,900               | 0.69  |
| 17 | Soo Choon Swee   | 4735490        | 28,000               | 0.65  |
| 18 | Law How Hock   | 611010-01-5509 | 26,500               | 0.61  |

**LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (WARRANTS) (cont'd)**

As At 29 February 2008

| <b>Name</b>                       | <b>Investor ID</b> | <b>No. of Warrants held</b> | <b>%</b> |
|-----------------------------------|--------------------|-----------------------------|----------|
| 19 YTL Power International Berhad | 406684H            | 24,000                      | 0.56     |
| 20 Olive Lim Swee Lian            | 480530-10-5324     | 24,000                      | 0.56     |
| 21 Ahmad Azam Bin Sulaiman        | 580618-10-5159     | 21,000                      | 0.49     |
| 22 Choy Shien Yang                | 780209-01-6389     | 20,000                      | 0.46     |
| 23 Low Kim Whatt                  | 540225-01-5113     | 20,000                      | 0.46     |
| 24 Quey Sew Leng @ Quek Siew Leng | 0017022            | 20,000                      | 0.46     |
| 25 Lim Yong Keat                  | 390920-08-5657     | 20,000                      | 0.46     |
| 26 Lee Lay Chen                   | 730205-04-5216     | 20,000                      | 0.46     |
| 27 Lee May Choo                   | 720209-04-5142     | 20,000                      | 0.46     |
| 28 Chan Chon Ying @ Chen Chor Eng | 390605-07-5184     | 20,000                      | 0.46     |
| 29 Lee Chee Eng                   | 680319-04-5035     | 20,000                      | 0.46     |
| 30 Kweh Bee Har                   | 600704-02-5150     | 20,000                      | 0.46     |

## list of properties

as at 31 December 2007

| Location   | Type      | Tenure                    | Date of Acquisition | Area                    | Description                        | Approximate Age of Building (Years) | Net Book Value (RM) |
|--|-----------|---------------------------|---------------------|-------------------------|------------------------------------|-------------------------------------|---------------------|
| Country Height<br>The Mines Resort City<br>43300 Seri Kembangan<br>Selangor                          | Leasehold | 99 years<br>Expiry : 2091 | 5-May-01            | 14,863 kps              | Bungalow house including furniture | 10                                  | 2,680,586           |
| Lot 2494<br>Mukim Peringat<br>Daerah Peringat<br>Kampung Parit<br>Kota Bharu, Kelantan               | Freehold  | –                         | 16-Aug-87           | 0.7039 ha               | Television transmission station    | 20                                  | 180,655             |
| P.T. 4991, Jalan 9/27A<br>Section 5, Wangsa Maju<br>53300 Kuala Lumpur                               | Leasehold | 99 years<br>Expiry : 2089 | 21-Sep-90           | 8.0937 ha               | TV3 complex                        | 10                                  | 59,498,285          |
| Lot 374, Block 12<br>Miri Concession<br>Land District<br>Km 3, Jalan Miri-Bintulu<br>Miri, Sarawak   | Leasehold | 60 years<br>Expiry : 2053 | 8-Apr-93            | 0.4815 ha               | Television transmission station    | 15                                  | 109,108             |
| Pandan Ville Condominium<br>Block B<br>Jalan Pandan Indah<br>1/16 Pandan Indah<br>55100 Kuala Lumpur | Leasehold | 99 years<br>Expiry : 2091 | 1-Oct-01            | 8 unit x<br>1,587 sq ft | Condominium                        | 11                                  | 1,152,496           |
| Lot 340<br>Jalan Bangsar Utama 3<br>Off Jalan Maarof<br>59100 Kuala Lumpur                           | Leasehold | 99 years<br>Expiry : 2085 | 21-Aug-96           | 8,860 sq ft             | Commercial building                | 17                                  | 1,263,758           |
| Pangsapuri Greenpark<br>Block B, Jalan Awan Pintal<br>Pangsapuri Taman Hijau<br>58200 Kuala Lumpur   | Freehold  | –                         | 25-Jun-96           | 5 unit x<br>1,232 sq ft | Condominium                        | 9                                   | 507,176             |

| Location  | Type      | Tenure                   | Date of Acquisition | Area   | Description                                      | Approximate Age of Building (Years) | Net Book Value (RM) |
|---|-----------|--------------------------|---------------------|--|--|-------------------------------------|---------------------|
| Sri Intan Condominium<br>No. 2, Jalan Terolak 6<br>Off Jalan Batu 5<br>Jalan Ipoh<br>51200 Kuala Lumpur                 | Freehold  | –                        | 21-Aug-96           | 2 unit x<br>206 sq metre                           | Condominium                                      | 10                                  | 513,073             |
| Commerce Square<br>Batu 10<br>Jalan Kelang Lama SS8/1<br>Petaling Jaya Selatan<br>Mukim Damansara<br>Petaling, Selangor | Leasehold | 99 year<br>Expiry : 2091 | 30-May-01           | 1 unit x<br>2,963 sq ft<br>1 unit x<br>3,130 sq ft | Commercial<br>building<br>Commercial<br>building | 9<br>9                              | 775,003             |
| Lembah Beringin<br>P.T. No 2133<br>Mukim Sungai Gumut<br>Daerah Hulu Selangor, Selangor                                 | Freehold  | –                        | 27-Jul-99           | 1 unit x<br>43,597 sq ft                           | Residential<br>land                              | 8                                   | 176,000             |
| Lembah Beringin<br>P.T. No 2133<br>Mukim Sungai Gumut<br>Daerah Hulu Selangor, Selangor                                 | Freehold  | –                        | 27-Jul-99           | 1 unit x<br>53,561 sq ft                           | Residential<br>land                              | 8                                   | 216,000             |
| Lembah Beringin<br>P.T. No 2133<br>Mukim Sungai Gumut<br>Daerah Hulu Selangor, Selangor                                 | Freehold  | –                        | 21-Sep-04           | 1 unit x<br>10,934 sq ft                           | Residential<br>land                              | 3                                   | 142,142             |
| Lembah Beringin<br>P.T. No 2133<br>Mukim Sungai Gumut<br>Daerah Hulu Selangor, Selangor                                 | Freehold  | –                        | 21-Sep-04           | 1 unit x<br>10,955 sq ft                           | Residential<br>land                              | 3                                   | 142,415             |

## list of properties (cont'd)

as at 31 December 2007

| Location  | Type      | Tenure                    | Date of Acquisition | Area                  | Description            | Approximate Age of Building (Years) | Net Book Value (RM) |
|---|-----------|---------------------------|---------------------|-----------------------|------------------------|-------------------------------------|---------------------|
| Putrajaya Precinct 8<br>Phase 5A, Unit C-3A-3A<br>Level 4 (3rd Floor), Block C<br>Pusat Pentadbiran<br>Kerajaan Persekutuan Putrajaya | Freehold  | –                         | 22-Dec-00           | 8,981.8<br>sq metre   | Commercial<br>building | 7                                   | 126,052             |
| Unit No. 102<br>Jalan Seksyen 3/3<br>Sekyen 3, Kajang Utama<br>43000 Kajang, Selangor   | Freehold  | –                         | 14-May-04           | 942 sq ft             | Apartment              | 3                                   | 89,414              |
| Lot No. 76<br>Jalan Seksyen 3/3<br>Sekyen 3, Kajang Utama<br>43000 Kajang, Selangor   | Freehold  | –                         | 14-May-04           | 1,650 sq ft           | Commercial<br>building | 3                                   | 452,887             |
| Summerset Resort<br>Unit No : D120  | Leasehold | 99 years<br>Expiry : 2094 | 12-Dec-02           | 1,455 sq ft           | Holiday<br>bungalow    | 5                                   | 575,097             |
| Unit No : D124  |           |                           |                     | 1,455 sq ft           | Holiday<br>bungalow    | 5                                   | 649,484             |
| Unit No : GS-01-11  | Leasehold | 99 years<br>Expiry : 2098 | 4-May-04            | 377 sq ft             | Studio                 | 5                                   | 247,643             |
| Unit No : D108<br>Mukim Rompin<br>Daerah Rompin<br>Negeri Pahang  |           |                           |                     | 1,500 sq ft           | Holiday<br>bungalow    | 3                                   | 647,797             |
| Lot 2B-4-20 & 2B-4-21<br>Kompleks Tun Abdul Razak<br>Geogetown, Penang  | Leasehold | 99 years<br>Expiry : 2093 | 31-May-95           | 7,316 sq ft           | Cineplex               | 12                                  | 1,699,984           |
| Damai Laut<br>Holiday Apartments<br>Lot F2-01-03A<br>& Lot F2-GF-03A<br>Jalan Titi Panjang<br>32200 Lumut, Perak                      | Leasehold | 99 years<br>Expiry : 2098 | 5-Aug-97            | 2 lots x<br>981 sq ft | Apartment              | 9                                   | 340,000             |

| Location   | Type     | Tenure                    | Date of Acquisition | Area                     | Description           | Approximate Age of Building (Years) | Net Book Value (RM) |
|--|----------|---------------------------|---------------------|--------------------------|-----------------------|-------------------------------------|---------------------|
| Kawasan Perniagaan Permatang Rawa<br>Jalan Permatang Rawa 1<br>14000 Bukit Mertajam<br>Pulau Pinang                      | Freehold | –                         | 29-Apr-97           | 5 lots x<br>5,092 sq ft  | Commercial building   | 11                                  | 1,530,000           |
| Summit Centre Shopping Complex   |          |                           |                     |                          |                       |                                     |                     |
| Lot No. 2.30   | Freehold | 99 years<br>expiry : 2093 | 15-Sep-04           | 603.88 sq ft             | Commercial building   | 3                                   | 230,000             |
| Lot No. 2.31   | Freehold |                           | 15-Sep-04           | 603.88 sq ft             | Commercial building   | 3                                   | 230,000             |
| Lot No. 2.32   | Freehold |                           | 15-Sep-04           | 596.99 sq ft             | Commercial building   | 3                                   | 230,000             |
| Lot No. 2344/45<br>Mukim of Jeram<br>Selangor  | Freehold | –                         | 9-Aug-06            | 4292 sq ft               | Double storey terrace | 1                                   | 287,024             |
| Lot 159 & 160<br>Jalan Jurubina U1/18<br>Seksyen U1<br>Hicom Glenamrie<br>Industrial Park<br>40150 Shah Alam<br>Selangor | Freehold | –                         | 12-Nov-96           | 80,063 sq ft             | Commercial Land       | –                                   | 6,800,000           |
| Lot 7/9<br>Jalan Jurubina U1/18<br>Seksyen U1<br>Hicom Glenamrie<br>Industrial Park<br>40150 Shah Alam<br>Selangor       | Freehold | –                         | 12-Nov-96           | 7,562 sq ft              | Commercial building   | 10                                  | 21,994,813          |
| Nos. 12 & 14<br>Jalan SS 22/25<br>47400 Damansara Jaya<br>Selangor   | Freehold | –                         | 1-Aug-90            | 2 Units x<br>1,650 sq ft | Commercial building   | 17                                  | 967,835             |