financial statements

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 2008.

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, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights and the provision of production, event management and other industry related services.

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

The principal activities of the subsidiaries and associates are set out in Note 25, Note 26 and Note 43 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year from continuing operations	117,703	56,639
Loss from subsidiary acquired exclusively for sale	(45,257)	–
Net profit for the financial year	72,446	56,639
Attributable to:		
Equity holders of the Company	86,023	
Minority interests	(13,577)	
Net profit for the financial year	72,446	

DIVIDENDS

The dividends paid or declared since 31 December 2007 were as follows:

	RM'000
(1) In respect of the financial year ended 31 December 2007, a final dividend of 9.3 sen gross per ordinary share, less income tax of 26%, paid on 18 July 2008:	
- as shown in the Directors' report of that financial year, dividends on 842,183,254 ordinary shares	57,964
- dividends on additional 4,966,808 ordinary shares issued subsequent to 31 December 2008 up to the date of book closure on 30 June 2008 due to conversion of debt and equity instruments	337
	58,301
(2) Special dividend of 9.0 sen per share on 845,309,233 ordinary shares, less income tax of 26%, paid on 30 April 2008 to shareholders registered on the Company's Register of Members at the close of business on 17 April 2008.	56,297
	114,598

DIVIDENDS (cont'd)

The Directors had on 27 February 2009 recommended the payment of a final dividend of 6.7 sen gross per ordinary share, less income tax at 25% subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 28 July 2009 to shareholders registered on the Company's Register of Members at the close of business on 30 June 2009.

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, 11,627,788 new ordinary shares of RM1.00 each were issued by the Company comprising:

(a) 6,181,967 ordinary shares of RM1.00 each through the conversion of 9,274,536 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 RM3,092,569 has been credited to the Share Premium account.

(b) 4,839,121 ordinary shares of RM1.00 each arising from the exercise of 4,839,121 Warrants of RM0.10 each at an exercise price of RM1.10 per Warrant. The premium arising from the exercise of Warrants of RM967,824, including the transfer of proceeds from issuance of Warrants of RM524,413 from Warrants Reserve, has been credited to the Share Premium account.

(c) 606,700 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at exercise prices of RM1.46, RM1.55 and RM2.23 per share. The premium arising from the exercise of ESOS of RM385,281 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 18 March 2009 from having to disclose in this report, the names of the persons to whom options have been granted during the financial year and details of their holdings pursuant to Section 169 (11) of the Companies Act, 1965 except for information on employees who were granted options representing 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

DIRECTORS

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

Dato' Abdul Mutalib Datuk Seri Mohamed Razak	
Tan Sri Lee Lam Thye	
Abdul Rahman Ahmad	
Shahril Ridza Ridzuan	
Tan Sri Mohamed Jawhar	
Dato' Sri Ahmad Farid Ridzuan	
Dato' Kamarulzaman Hj Zainal	
Dato' Abdul Kadir Mohd Deen	
Dato' Gumuri Hussain	(appointed on 29 April 2008)
Dato' Dr Mohd Shahari Ahmad Jabar	(resigned on 29 April 2008)

In accordance with Article 106 of the Company's Articles of Association, Dato' Gumuri Hussain, 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, Shahril Ridza Ridzuan, Tan Sri Mohamed Jawhar and Dato' Kamarulzaman Hj Zainal retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

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

REMUNERATION COMMITTEE

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

- Dato' Abdul Kadir Mohd Deen (Chairman)
- Tan Sri Lee Lam Thye
- Dato' Abdul Mutalib Datuk Seri Mohamed Razak
- Shahril Ridza Ridzuan

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2008 '000	Additions '000	Disposals '000	As at 31.12.2008 '000
Abdul Rahman Ahmad	600	–	–	600
Dato' Sri Ahmad Farid Ridzuan	190	–	–	190
Dato' Kamarulzaman Hj Zainal	200	–	–	200

	Number of options over ordinary shares of RM1.00 each			
	As at 1.1.2008 '000	Granted '000	Exercised '000	As at 31.12.2008 '000
Dato' Sri Ahmad Farid Ridzuan	350	–	–	350

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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

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

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

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 18 March 2009.

DATO' ABDUL MUTALIB DATUK SERI MOHAMED RAZAK
CHAIRMAN

ABDUL RAHMAN AHMAD
GROUP MANAGING DIRECTOR

income statements

for the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Continuing operations					
Revenue	2	**781,290**	691,339	**109,101**	163,507
Other operating income		**33,319**	39,264	**2,130**	–
Finance income	3	**1,493**	1,195	**–**	–
Programmes, film rights and album production costs					
- Amortisation		**(208,103)**	(179,650)	**–**	–
- Write off		**(1,489)**	(44)	**–**	–
Other direct costs		**(77,798)**	(43,163)	**–**	–
Employee benefits costs	4	**(155,153)**	(160,638)	**(4,426)**	(10,601)
Advertising and promotion expenses		**(31,311)**	(22,577)	**(1,406)**	(1,099)
Transmission rental and expenses		**(35,250)**	(30,556)	**–**	–
Repairs and maintenance		**(12,848)**	(12,774)	**(69)**	(16)
Utilities		**(14,255)**	(13,020)	**(61)**	(38)
Professional and consultancy fees		**(7,059)**	(7,609)	**(738)**	(1,116)
Rental of premises		**(11,066)**	(9,449)	**–**	–
License fees		**(9,210)**	(6,170)	**–**	–
Depreciation of property, plant and equipment		**(39,107)**	(37,639)	**(51)**	(7)
Depreciation of investment properties		**(271)**	(274)	**–**	–
Amortisation of prepaid lease rentals		**(334)**	(827)	**–**	–
(Impairment losses)/ write back of impairment losses on assets		**(132)**	4,278	**–**	–
Doubtful debts for trade and other receivables					
- Allowances		**(4,010)**	(4,707)	**–**	–
- Write back		**–**	447	**–**	–
Bad debts written off		**(1,422)**	–	**–**	–
(Allowance)/reversal of allowance for diminution in value of quoted investment		**(1,163)**	912	**–**	–
Amortisation of intangibles		**(6,710)**	(6,823)	**–**	–
Other operating expenses		**(40,368)**	(42,255)	**(3,926)**	(3,642)
Profit from continuing operations	5	**159,043**	159,260	**100,554**	146,988
Finance cost	3	**(20,308)**	(24,209)	**(18,318)**	(15,972)
Share of results of an associate		**20,529**	14,044	**–**	–
Profit before taxation		**159,264**	149,095	**82,236**	131,016
Taxation	7	**(41,561)**	(31,655)	**(25,597)**	(37,936)
Net profit for the financial year from continuing operations		**117,703**	117,440	**56,639**	93,080

income statements

for the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Subsidiary held exclusively for sale					
Losses from subsidiary acquired exclusively for sale	43	(45,257)	–	–	–
Net profit for the financial year		72,446	117,440	56,639	93,080
Attributable to:					
Equity holders of the Company		86,023	117,440		
Minority interests	43	(13,577)	–		
Net profit for the financial year		72,446	117,440		
Basic earnings per share (sen) for:	8				
- net profit from continuing operations		13.92	14.37		
- losses from subsidiary acquired exclusively for sale		(3.75)	–		
- net profit for the financial year		10.17	14.37		
Diluted earnings per share (sen) for:	8				
- net profit from continuing operations		13.92	14.09		
- losses from subsidiary acquired exclusively for sale		(3.75)	–		
- net profit for the financial year		10.17	14.09		

The accounting policies on pages 179 to 194 and the notes on pages 195 to 244 form an integral part of these financial statements.

balance sheets

as at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	10	**853,811**	842,183	**853,811**	842,183
Share premium	11	**188,118**	183,250	**188,118**	183,250
Other reserves	12	**33,900**	30,132	**843**	1,791
(Accumulated losses)/ retained earnings	14	**(524,527)**	(495,952)	**58,973**	116,932
		551,302	559,613	**1,101,745**	1,144,156
MINORITY INTERESTS		**(11,533)**	1,922	**–**	–
TOTAL EQUITY		**539,769**	561,535	**1,101,745**	1,144,156
NON-CURRENT LIABILITIES					
Irredeemable convertible unsecured loan stocks	15	**–**	9,275	**–**	9,275
Bank guaranteed medium term notes	16	**163,990**	162,351	**163,990**	162,351
Interest bearing bank borrowings:					
- Term loans	18	**49,589**	56,865	**49,000**	56,000
Hire-purchase and lease creditors	19	**14,585**	8,972	**–**	–
Trade and other payables	20	**950**	–	**–**	–
Deferred tax liabilities	21	**20,007**	16,828	**–**	–
		249,121	254,291	**212,990**	227,626
		788,890	815,826	**1,314,735**	1,371,782
NON-CURRENT ASSETS					
Property, plant and equipment	22	**212,553**	203,666	**193**	57
Investment properties	23	**13,682**	15,049	**–**	–
Prepaid lease rentals	24	**9,162**	9,206	**–**	–
Subsidiaries	25	**–**	–	**614,829**	614,280
Associates	26	**347,444**	332,482	**399,651**	399,651
Investments	27	**2,393**	3,604	**–**	–
Prepaid transmission station rentals		**2,622**	2,731	**–**	–
Intangible assets	28	**179,084**	206,135	**–**	–
Deferred tax assets	21	**19,445**	7,692	**–**	–
		786,385	780,565	**1,014,673**	1,013,988

balance sheets

as at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
CURRENT ASSETS					
Assets held-for-sale	29	–	58,660	–	–
Inventories	30	35	439	–	–
Trade and other receivables	31	280,180	254,436	11,521	5,023
Amounts due from subsidiaries	32	–	–	443,352	471,587
Deposits, cash and bank balances	33	51,083	128,358	6,792	34,805
Tax recoverable		3,814	2,532	1,952	1,925
Amount due from an associate		843	–	–	–
		335,955	444,425	463,617	513,340
Assets of subsidiary acquired exclusively for sale		42,402	–	–	–
		378,357	444,425	463,617	513,340
CURRENT LIABILITIES					
Trade and other payables	20	191,341	271,355	12,555	41,546
Amount due to an associate	34	4,282	7,242	–	–
Commercial papers	16	137,000	100,000	137,000	100,000
Interest bearing bank borrowings:					
- Term loans	18	14,845	16,510	14,000	14,000
- Bank overdrafts	18	1,674	705	–	–
Current tax liabilities		18,283	13,352	–	–
		367,425	409,164	163,555	155,546
Liabilities of subsidiary acquired exclusively for sale		8,427	–	–	–
		375,852	409,164	163,555	155,546
NET CURRENT ASSETS		2,505	35,261	300,062	357,794
		788,890	815,826	1,314,735	1,371,782

	Sen	Sen
NET ASSETS PER SHARE	0.64	0.66

* 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 179 to 194 and the notes on pages 195 to 244 form an integral part of these financial statements.

statements of changes in equity

for the financial year ended 31 December 2008

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

The accounting policies on pages 179 to 194 and the notes on pages 195 to 244 form an integral part of these financial statements.

statements of changes in equity

for the financial year ended 31 December 2008

Company	Note	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Other reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
2008						
At 1 January 2008		842,183	183,250	1,791	116,932	1,144,156
Net profit for the financial year		–	–	–	56,639	56,639
Issuance of shares arising from:	10,11					
- Conversion of ICULS		6,182	3,092	–	–	9,274
- Exercise of Warrants		4,839	968	(525)	–	5,282
- Exercise of ESOS		607	808	(423)	–	992
Final dividend paid for the financial year ended 31 December 2007	9	–	–	–	(58,301)	(58,301)
Special dividend paid	9	–	–	–	(56,297)	(56,297)
At 31 December 2008		853,811	188,118	843	58,973	1,101,745
2007						
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)
At 31 December 2007		842,183	183,250	1,791	116,932	1,144,156

The accounting policies on pages 179 to 194 and the notes on pages 195 to 244 form an integral part of these financial statements.

cash flow statements

for the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash flows generated from operations	37	114,078	155,461	37,635	(86,884)
Income tax paid		(46,484)	(41,866)	(161)	(428)
Net cash inflow/(outflow) arising from operating activities:					
- Continuing operations		67,594	113,595	37,474	(87,312)
- Subsidiary acquired exclusively for sale		(31,290)	–	–	–
Net cash flow from operating activities		36,304	113,595	37,474	(87,312)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment to scheme creditors of subsidiaries		(12,867)	(16,898)	(12,867)	(16,898)
Additional share capital in subsidiaries		–	2,724	(550)	–
Acquisition of subsidiaries, net of cash acquired:					
- Big Tree Outdoor Sdn Bhd ("BTO")		–	(46,683)	–	(64,620)
- UPD Sdn Bhd ("UPD")		–	(1,440)	–	(576)
- The Right Channel Sdn Bhd ("TRC")		–	269	–	(138)
Part payment of purchase consideration of subsidiaries		(27,832)	(25,100)	(27,832)	(25,100)
Property, plant and equipment					
- Additions		(36,148)	(32,625)	(187)	(40)
- Proceeds from disposals		3,195	959	–	–
Investment properties					
- Proceeds from disposals		57,251	–	–	–
Prepaid lease rentals					
- Additions		–	(6,995)	–	–
Proceeds from disposal of unquoted investment		10	–	–	–
Interest received		1,493	2,338	115	1,377
Dividends received		5,713	6,916	72,476	4,326
Net cash (outflow)/inflow arising from investing activities:					
- Continuing operations		(9,185)	(116,535)	31,155	(101,669)
- Subsidiary acquired exclusively for sale		(1,618)	–	–	–
Net cash flow from investing activities		(10,803)	(116,535)	31,155	(101,669)

cash flow statements

for the financial year ended 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
- Term loans		**(9,807)**	(120,742)	**(7,000)**	(48,490)
- Medium term notes		**–**	(70,000)	**–**	(70,000)
- Unsecured redeemable exchangeable bond		**–**	(85,000)	**–**	(85,000)
- Redeemable unsecured loan stocks		**–**	(62,044)	**–**	–
- Hire-purchase and lease creditors		**(4,405)**	(2,711)	**–**	–
Drawdown of:					
- Bank borrowings		**–**	332,351	**–**	332,351
- Term loan		**2,047**	–	**–**	–
- Commercial papers		**37,000**	–	**37,000**	–
Proceeds from issuance of ordinary shares arising from:					
- Exercise of Warrants		**5,282**	20,444	**5,282**	20,444
- Exercise of ESOS		**992**	28,453	**992**	28,453
Restricted bank balances		**(4,371)**	6,932	**–**	7,000
Interest paid		**(20,188)**	(21,349)	**(18,318)**	(13,690)
Dividends paid to shareholders of the Company		**(114,598)**	(21,105)	**(114,598)**	(21,105)
Net cash flow from financing activities arising from continuing operations		**(108,048)**	5,229	**(96,642)**	149,963
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**(82,547)**	2,289	**(28,013)**	(39,018)
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		**14**	2,814	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**126,612**	121,509	**34,805**	73,823
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35	**44,079**	126,612	**6,792**	34,805

The accounting policies on pages 179 to 194 and the notes on pages 195 to 244 form an integral part of these financial statements.

summary of significant accounting policies

for the financial year ended 31 December 2008

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

A BASIS OF PREPARATION

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

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

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

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

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

(a) Standards and interpretations to existing standards that are applicable to the Group's and Company's operations but not yet effective and have not been early adopted

The new standard and IC Interpretation that are applicable to the Group and Company, which have not been early adopted are as follows:

- FRS 8 Operating Segments (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114 Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

- IC Interpretation 9 Reassessment of Embedded Derivatives (effective for annual period of beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.

- IC Interpretation 10 Interim Financial Reporting and Impairment (effective for annual period beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at subsequent balance sheet date.

A BASIS OF PREPARATION (cont'd)

(a) Standards and interpretations to existing standards that are applicable to the Group's and Company's operations but not yet effective and have not been early adopted (continued)

- FRS 7 Financial Instruments: Disclosures (effective for annual period beginning on or after 1 January 2010).

- FRS 139 Financial Instruments: Recognition and Measurement (effective for annual period beginning on or after 1 January 2010). 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 has applied the transitional provision in FRS 7 and FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of these standards on the financial statements of the Group and Company.

The Group and Company will apply the above new standards and interpretations to existing standards when effective. With the exception of FRS 7 and FRS 139, the adoption of these standards and interpretations will not have any significant impact on the results and position of the Group and Company.

(b) Standard that is not yet effective and not relevant for the Group's and Company's operation

- FRS 4 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2010). FRS 4 is not relevant to the Group's and Company's operations as the Group and Company are not involved in insurance activities.

B BASIS OF CONSOLIDATION

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

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

- Internal group reorganisations, as defined in FRS 122 $_{2004}$ "Business Combinations", consolidated on/after 1 April 2002 but with agreements dated before 1 January 2006 where:

  - the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
  - the minorities' share of net assets of the Group is not altered by the transfer

- Business combinations involving entities or businesses under common control with agreements dated on or after 1 January 2006.

B BASIS OF CONSOLIDATION (cont'd)

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

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.

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.

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.

F INVESTMENTS (cont'd)

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 costs are charged to the income statement during the financial year in which they are incurred.

The Directors have applied the transitional provisions of International Accounting Standard ("IAS") 16 "Property, Plant and Equipment", which 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
Plant and machinery	4 – 5 years
Broadcasting and transmission equipment	10 years
Production equipment	5 – 10 years
Office equipment, furniture and fittings	3 – 10 years
Office renovations	3 – 5 years
Motor vehicles	5 years
Leasehold improvements	3 – 15 years
Structures	5 – 10 years

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

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

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

H PREPAID LEASE RENTALS

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

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

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/Cinema	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 financial year of the retirement or disposal.

J INTANGIBLE ASSETS

(a) Programmes and film rights

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

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

J INTANGIBLE ASSETS (cont'd)

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

The amortisation rates are as follows:

Purchases with full rights/limited rights (2 runs or more)	%
Features	
Upon first transmission	60
Upon second transmission	40
Series	
Upon first transmission	100
Purchases with limited rights (1 run) and in-house programmes	
Upon first transmission	100

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

(b) Acquired concession rights and outdoor advertising rights

Acquired concession rights and outdoor advertising rights that have a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of concession rights 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.

L IMPAIRMENT OF ASSETS (cont'd)

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

M NON-CURRENT ASSETS HELD FOR SALE

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

N TRADE RECEIVABLES

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

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

O INVENTORIES

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

(i) Consumable spares

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

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 employee benefits relating to the employee service in the current and prior periods.

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

(iii) Termination benefits

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

(iv) Share-based compensation

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

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

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

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

S EMPLOYEE BENEFITS (cont'd)

(iv) Share-based compensation (cont'd)

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.

U CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

V SHARE CAPITAL

Ordinary shares are classified as equity.

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

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

W DEBT INSTRUMENTS

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

(i) Irredeemable convertible unsecured loan stocks ("ICULS")
(ii) Bank guaranteed medium term notes/Commercial papers ("BGMTN/CP")
(iii) Warrants

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

The Group has taken advantage of the exemption provided by FRS 132 "Financial Instruments: Disclosure and Presentation" not to reclassify compound financial instruments issued by the Company prior to 1 January 2003 into liability and equity components. Accordingly, the ICULS issued by the Company continue 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 unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Y BORROWINGS

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

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

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

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.

Z INCOME RECOGNITION (cont'd)

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

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon telecast 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.

(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:

(i) Impairment of investments

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

Projected future cash flows are based on Group's judgements in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 25 and Note 26 to the financial statements.

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

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

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

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 22 to the financial statements.

(iii) Deferred tax assets

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

AD CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(iv) Estimation of income taxes

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

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

(v) Assessment of impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy as stated in Note 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.

The assumptions used, results and conclusion of the impairment assessment are disclosed in Note 28 to the financial statements.

(vi) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 41 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings. Each case is unique and therefore, the eventual outcome cannot be ascertained with virtual certainty.

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

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

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, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights and the provision of production, event management and other industry related services.

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

The principal activities of the subsidiaries and associates are set out in Note 25, Note 26 and Note 43 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Advertising income	**747,841**	678,966	**–**	–
Sale of programmes, videos, cable and laser rights, and media revenue	**24,532**	6,989	**–**	–
Fees from provision of production services, sponsorship and event management services	**8,917**	4,241	**–**	–
Fees from provision of procurement services	**–**	–	**11,046**	10,685
Interest income (Note 3)	**–**	1,143	**115**	6,327
Gross dividends from subsidiaries	**–**	–	**90,417**	137,091
Gross dividends from an associate	**–**	–	**7,523**	9,404
	781,290	691,339	**109,101**	163,507

3 FINANCE INCOME AND COST

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Finance income:				
Interest income classified in				
- Revenue (Note 2)	–	(1,143)	(115)	(6,327)
- Other interest income	(1,493)	(1,195)	–	–
	(1,493)	(2,338)	(115)	(6,327)
Finance cost:				
Interest expenses on:				
- Irredeemable convertible unsecured loan stocks	71	209	71	209
- Redeemable unsecured loan stocks	–	1,840	–	–
- Medium term notes	–	3,319	–	3,319
- Bank guaranteed medium term notes	8,259	2,308	8,259	2,308
- Commercial papers	4,922	1,201	4,922	1,201
- Term loans	4,004	7,929	3,518	3,478
- Unsecured redeemable exchangeable bonds	–	4,935	–	4,935
- Scheme creditors of subsidiaries	266	720	–	–
- Bank guarantee fee	1,548	522	1,548	522
- Hire purchase interest	1,194	1,086	–	–
- Overdraft	44	140	–	–
	20,308	24,209	18,318	15,972
Net finance cost	18,815	21,871	18,203	9,645

4 EMPLOYEE BENEFITS COSTS

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Wages, salaries and bonus	119,528	131,171	3,293	8,892
Defined contribution retirement plan	15,470	17,361	942	1,411
Termination benefits	5,918	520	39	–
Employees' Share Option Scheme (Note 10)	–	1,266	–	71
Other employee benefits	14,237	10,320	152	227
	155,153	160,638	4,426	10,601

5 PROFIT FROM CONTINUING OPERATIONS

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Royalties	3,192	2,883	–	–
Auditors' remuneration:				
- statutory audit	811	683	66	50
- fees for other services	50	159	–	159
- fees for tax advisory and compliance work	120	579	–	42
Prepaid expenditure written off	284	284	–	–
Amortisation of transaction fees – UREB	–	1,238	–	1,238
Property, plant and equipment written off	678	305	–	–
(Gain)/loss on disposal of investment properties	(3,730)	83	–	–
Rental income from equipment	(2,218)	(5,461)	–	–
Rental income from premises	(1,253)	(193)	–	–
Gross dividends from:				
- Quoted shares in Malaysia	(6)	(5)	–	–
- Property and unit trusts	(140)	(48)	–	–
Net exchange (gain)/loss:				
- Realised	(1,099)	(1,636)	(1,050)	–
- Unrealised	34	(547)	–	–
Loss/(gain) on disposal of property, plant and equipment	279	(199)	–	–
Write back of long outstanding accruals	(20,010)	(24,380)	(1,080)	–
Provision for scheme creditors	2,522	–	–	–
Loss on disposal of investment	38	–	–	–

6 DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-executive Directors:				
- Fees	525	490	290	272
- Allowances	262	252	143	137
- Defined contribution plan	48	46	24	23
- Bonus	170	98	130	73
Executive Directors:				
- Basic salaries and bonus	3,116	2,438	1,269	1,023
- Allowances	336	732	144	390
- Defined contribution plan	562	474	233	203
	5,019	4,530	2,233	2,121
Estimated monetary value of benefits-in-kind	111	135	40	9

6 DIRECTORS' REMUNERATION (cont'd)

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

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

Grant date	Expiry date	Exercise price RM/share	Number of options over ordinary shares of RM1.00 each: At 1 January 2007 '000	Granted '000	Exercised '000	At 31 December 2007 '000
Financial year ended 31 December 2007						
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

	2008 '000	2007 '000
Number of share options vested at balance sheet date	**350**	350

7 TAXATION

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Current tax:				
- Malaysian tax	**49,092**	32,945	**25,597**	37,936
- Foreign tax	**1,043**	848	**–**	–
	50,135	33,793	**25,597**	37,936
Deferred tax (Note 21)	**(8,574)**	(2,138)	**–**	–
	41,561	31,655	**25,597**	37,936

7 TAXATION (cont'd)

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Current tax:				
- Current financial year	**47,431**	40,263	**25,597**	37,675
- Under/(over) accrual in prior financial years	**2,704**	(6,470)	**–**	261
	50,135	33,793	**25,597**	37,936
Deferred tax:				
- Origination and reversal of temporary differences	**(8,867)**	(2,246)	**–**	–
- Change in corporate income tax rate	**293**	108	**–**	–
	(8,574)	(2,138)	**–**	–
	41,561	31,655	**25,597**	37,936

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

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

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Profit before taxation	**159,264**	149,095	**82,236**	131,016
Tax calculated at the Malaysian corporate income tax rate of 26% (2007: 27%)	**41,408**	40,256	**21,381**	35,374
Tax effects of:				
- expenses not deductible for tax purpose	**7,430**	11,780	**4,216**	2,301
- Small and Medium Enterprises tax rate	**(67)**	(133)	**–**	–
- income not subject to tax	**(1,191)**	(2,662)	**–**	–
- temporary differences and unutilised tax losses not recognised	**4,610**	4,339	**–**	–
- utilisation of previously unrecognised temporary differences and unutilised tax losses	**(13,797)**	(11,860)	**–**	–
- share of results of an associate	**(5,338)**	(3,791)	**–**	–
- under/(over) accruals of current tax in prior years	**8,231**	(6,470)	**–**	261
- others	**275**	196	**–**	–
Taxation	**41,561**	31,655	**25,597**	37,936

Included in income tax expense of the Group are tax savings amounting to RM2,126,775 (2007: RM1,997,523) from utilisation of tax losses of the current financial year.

Tax saving during the period due to the recognition of previously unrecognised tax losses and unutilised capital allowances amounted to RM15,701,582 (2007: RM19,805,106).

8 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit for the financial year from continuing operations, losses from subsidiary acquired exclusively for sale and net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year, 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 845,483,000 (2007: 817,212,000).

		Group 2008	Group 2007
Net profit from continuing operations attributable to equity holders of the Company	(RM'000)	**117,703**	117,440
Share of losses from subsidiary acquired exclusively for sale attributable to equity holders of the Company	(RM'000)	**(31,680)**	–
Net profit for the financial year attributable to equity holders of the Company	(RM'000)	**86,023**	117,440
Weighted average number of ordinary shares in issue	('000)	**845,483**	817,212
Basic earnings per share for:			
Net profit from continuing operations	(Sen)	**13.92**	14.37
Share of losses from subsidiary acquired exclusively for sale	(Sen)	**(3.75)**	–
Net profit for the financial year	(Sen)	**10.17**	14.37

(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.

8 EARNINGS PER SHARE (cont'd)

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

		Group	
		2008	2007
		RM'000	RM'000
Net profit attributable to ordinary equity holders of the Company		86,023	117,440
Weighted average number of ordinary shares in issue, adjusted for the potential ordinary shares of the mandatorily convertible instrument, ICULS	('000)	845,483	817,212
Adjustments for:			
- Exercise of Warrants	('000)	–	10,297
- Exercise of ESOS	('000)	–	6,261
Weighted average number of ordinary shares for diluted earnings per share	('000)	845,483	833,770
Diluted earnings per share (sen)			
Net profit from continuing operations	(Sen)	13.92	14.09
Share of losses from subsidiary acquired exclusively for sale	(Sen)	(3.75)	–
Net profit for the financial year	(Sen)	10.17	14.09

For the diluted earnings per share calculation for the financial year ended 2008, the weighted average number of ordinary shares in issue remains unchanged as the warrants had been fully converted in 2008 and there were no dilutive potential ordinary shares since the market prices of the ordinary share were lower than the exercise prices of the share option at RM1.45, RM1.55 or RM2.23 per ordinary share.

9 DIVIDENDS

	Group and Company			
	2008		2007	
	Gross dividend per share	Amount of net dividend	Gross dividend per share	Amount of net dividend
	Sen	RM'000	Sen	RM'000
Final dividend, less income tax of 26% (2007 : 27%)	9.3	58,301	3.5	21,105
Special dividend, less income tax of 26% (2007 : Nil)	9.0	56,297	–	–
	18.3	114,598	3.5	21,105

At the forthcoming Annual General Meeting on 28 April 2009, a final dividend of 6.7 sen gross per ordinary share less income tax of 25% in respect of the financial year ended 31 December 2008 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2009 when approved by the shareholders.

10 SHARE CAPITAL

	Note	Group and Company 2008 RM'000	2007 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		**842,183**	763,852
Issuance of shares arising from:			
- Conversion of ICULS	(a)	**6,182**	3,098
- Exercise of Warrants	(b)	**4,839**	18,600
- Exercise of ESOS	(c)	**607**	18,062
- Acquisition of subsidiaries	(d)	**–**	38,571
At 31 December		**853,811**	842,183

During the financial year, the Company increased its issued and fully paid share capital from RM842,183,254 to RM853,811,042 by way of the issuance of:

(a) 6,181,967 (2007: 3,097,860) ordinary shares of RM1.00 each through the conversion of 9,274,536 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 RM3,091,512 (2007: RM1,549,387) has been credited to the Share Premium account.

(b) 4,839,121 (2007: 18,599,995) ordinary shares of RM1.00 each arising from the exercise of 4,839,121 Warrants of RM0.10 each at an exercise price of RM1.10 per Warrant. The premium arising from the exercise of Warrants of RM967,834 including the transfer of proceeds from issuance of Warrants of RM524,413 from (2007: RM1,860,000) Warrants Reserve, has been credited to the Share Premium account.

(c) 606,700 (2007: 18,061,600) ordinary shares of RM1.00 each pursuant to the exercise of ESOS at exercise prices of RM1.46, RM1.55 and RM2.23 per option. The premium arising from the exercise of ESOS of RM385,281 (2007: RM10,391,384) has been credited to the Share Premium account.

(d) Nil (2007: 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 RM Nil (2007: 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.

10 SHARE CAPITAL (cont'd)

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.

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

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

10 SHARE CAPITAL (cont'd)

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

Grant date	Expiry date	Exercise price RM/ share	At 1 January '000	Granted '000	Exercised '000	Lapsed '000	At 31 December '000	Fair value of options '000
			Number of options over ordinary shares of RM1.00 each					
Financial year ended 31 December 2007								
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	1,266
			23,572	4,819	(18,062)	–	10,329	1,266

* FRS 2 is not applicable for these tranches

	2008 '000	2007 '000
Number of options over ordinary shares vested, as the end of the financial year	**9,722**	10,329

There are no options granted in the current financial year. In the previous financial year, the weighted average fair value of options granted was RM0.26, determined using the binomial valuation model. The significant inputs into the model were as follows:

	2008	2007
Valuation assumptions:		
Expected volatility	–	21.00%
Expected dividend yield	–	3.00%
Expected option life	–	1.5 years
Share price at date of grant	–	RM2.40
Risk free interest rate (per annum)	–	3.60%

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

There were no charges to the income statements arising from share-based payment during the financial year for the Group (2007: RM1,265,980) and for the Company (2007: RM70,928) (Note 4).

11 SHARE PREMIUM

	Note	Group and Company 2008 RM'000	2007 RM'000
At 1 January		**183,250**	111,677
Arising from:			
- Conversion of ICULS	10 (a)	**3,092**	1,549
- Exercise of Warrants	10 (b)	**968**	3,704
- Exercise of ESOS	10 (c)	**808**	10,391
- Acquisition of subsidiaries	10 (d)	**–**	55,929
At 31 December		**188,118**	183,250

12 OTHER RESERVES

Group	Revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Merger reserve (Note 13) RM'000	Warrants reserve RM'000	Share option reserve RM'000	Total RM'000
2008						
At 1 January 2008	**1,292**	**712**	**26,337**	**525**	**1,266**	**30,132**
Exercise of Warrants during the financial year	**–**	**–**	**–**	**(525)**	**–**	**(525)**
Exercise of ESOS during the financial year	**–**	**–**	**–**	**–**	**(423)**	**(423)**
Currency translation differences	**–**	**4,716**	**–**	**–**	**–**	**4,716**
At 31 December 2008	**1,292**	**5,428**	**26,337**	**–**	**843**	**33,900**
2007						
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

12 OTHER RESERVES (cont'd)

Company	Warrants reserve RM'000	Share option reserve RM'000	Total RM'000
2008			
At 1 January 2008	**525**	**1,266**	**1,791**
Exercise of Warrants during the financial year	**(525)**	**–**	**(525)**
Exercise of ESOS during the financial year	**–**	**(423)**	**(423)**
At 31 December 2008	**–**	**843**	**843**
2007			
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

13 MERGER RESERVE

The merger reserve represents the difference between the nominal value of shares issued as consideration for the acquisition on 28 May 2003 of a subsidiary, Sistem Televisyen Malaysia Berhad ("STMB"), which met the criteria for the use of the merger method of accounting under the provisions of FRS 122_{2004} "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

	Group 2008 RM'000	2007 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 2008 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 (2007: All) its retained earnings as at 31 December 2008.

15 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

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

The principal terms of the ICULS are as follows:

(a) The face value of the ICULS is RM180 million;

(b) The ICULS bear interest of 2% per annum payable semi-annually in arrears, except for the first payment which was made on 31 December 2003 and the last payment which is due on the maturity date, 18 July 2008. Interest is calculated on the basis of the actual number of days elapsed;

(c) The tenure of the ICULS is five (5) years from the date of issue;

(d) The ICULS are convertible at any time on and after 18 July 2005 into new ordinary shares in the Company at the conversion ratio at RM3.00 nominal value of ICULS to two (2) ordinary shares of RM1.00 each;

(e) The new ordinary shares allotted and issued upon conversion of the ICULS will be considered as fully paid up and will rank pari passu in all respects with the existing ordinary shares of the Company; and

(f) The ICULS are listed on Bursa Malaysia.

During the financial year, 9,274,536 (2007: 4,646,797) ICULS were converted into ordinary shares in the Company, as disclosed in Note 10 (a) to the financial statements. As at 31 December 2008, there are no outstanding ICULS (2007: RM9,274,536) that have not been converted.

The ICULS have expired on 18 July 2008.

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

	Group and Company	
	2008 RM'000	2007 RM'000
Current:		
CP (unsecured)	**137,000**	100,000
Non-current:		
4-year 4.15% BGMTN (unsecured)	**70,000**	70,000
5-year 4.27% BGMTN (unsecured)	**100,000**	100,000
	170,000	170,000
Less: Transaction costs	**(8,196)**	(8,196)
	161,804	161,804
Add: Accumulated amortisation of transaction costs	**2,186**	547
	163,990	162,351

16 BANK GUARANTEED MEDIUM TERM NOTES/COMMERCIAL PAPERS ("BGMTN/CP") (cont'd)

In the previous financial year, the Company issued Bank Guaranteed Medium Term Notes ("BGMTN") and Commercial Papers ("CP") of RM170 million and RM100 million respectively. On 22 July 2008 and 23 September 2008, the Company issued additional CP of RM17 million and RM20 million respectively. The BGMTN/CP were constituted by separate Trust Deeds dated 23 August 2007 and 28 August 2007 respectively.

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

(a) The face value of the BGMTN is RM170 million and the CP is RM137 million;

(b) The CP are issued at a discount to face value of ranging from 3.98% to 4.99% (2007: 3.95%) per annum and shall be repayable at par;

(c) The interest on the BGMTN of RM70 million and RM100 million are 4.15% and 4.27% per annum respectively, payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the BGMTNs;

(d) The tenure of BGMTN of RM70 million and RM100 million are 4 years and 5 years from the date of issue respectively;

(e) The tenure of the CP 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.

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; and

(e) The Warrants are listed on Bursa Malaysia.

During the financial year, 4,839,121 (2007: 18,599,995) Warrants were exercised, as disclosed in Note 10 (b) to the financial statements. As at 31 December 2008, there are no outstanding Warrants (2007: RM524,413) that have not been exercised.

The warrants have expired on 31 July 2008.

18 INTEREST BEARING BANK BORROWINGS

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Current:					
Term loans (unsecured)	(a)	14,000	14,000	14,000	14,000
Term loans (secured)	(a)	845	2,510	–	–
		14,845	16,510	14,000	14,000
Bank overdrafts (unsecured) (Note 35)		1,674	705	–	–
		16,519	17,215	14,000	14,000
Non-current:					
Term loans (unsecured)	(a)	49,589	56,865	49,000	56,000
		66,108	74,080	63,000	70,000

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

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Ringgit Malaysia	64,339	73,874	63,000	70,000
Cedi	1,769	206	–	–
	66,108	74,080	63,000	70,000

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

	Group 2008 %	Group 2007 %	Company 2008 %	Company 2007 %
For the financial year				
Term loans	5.09	3.85	4.27	2.35
Bank overdrafts	8.25	8.25	*	*
As at the financial year end				
Term loans	5.10	5.12	4.27	5.48
Bank overdrafts	8.25	8.25	*	*

* Not applicable

18 INTEREST BEARING BANK BORROWINGS (cont'd)

(a) Term loans

The term loans are repayable as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unsecured				
Current:				
Repayable within 12 months	**14,000**	14,000	**14,000**	14,000
Non-current:				
Repayable after 12 months:				
- between 2 and 5 years	**49,589**	56,865	**49,000**	56,000
	63,589	70,865	**63,000**	70,000
Secured:				
Current:				
Repayable within 12 months	**845**	2,510	**–**	–
	64,434	73,375	**63,000**	70,000

Available credit facilities of the Group as at 31 December 2008 amounts to RM46.4 million.

19 HIRE-PURCHASE AND LEASE CREDITORS

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

	Group	
	2008 RM'000	2007 RM'000
Finance lease liabilities:		
Minimum lease payments:		
- not later than 1 year	**6,370**	3,622
- later than 1 year and not later than 5 years	**16,371**	10,038
	22,741	13,660
Future finance charges on finance leases	**(3,068)**	(1,935)
Present value of finance lease liabilities	**19,673**	11,725
Present value of finance lease liabilities:		
- not later than 1 year	**5,088**	2,753
- later than 1 year and not later than 5 years	**14,585**	8,972
	19,673	11,725
Analysed as:		
Due within 1 year (Note 20)	**5,088**	2,753
Due after 1 year	**14,585**	8,972
	19,673	11,725

19 HIRE-PURCHASE AND LEASE CREDITORS (cont'd)

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 2008, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 4% (2007: 3.98%) per annum and interest for the financial year is fixed at 3.03% (2007: 3.84%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

20 TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Non-Current:				
Trade payables	950	–	–	–
Current:				
Trade payables	37,183	40,609	–	–
Programme rights payables	17,532	27,257	5,223	3,730
	54,715	67,866	5,223	3,730
Trade accruals	34,619	29,861	–	–
Other accruals	26,486	69,355	4,911	7,703
Other payables	65,329	97,778	2,421	30,113
Hire-purchase and lease creditors (Note 19)	5,088	2,753	–	–
Deferred income	310	132	–	–
Advanced billings	4,794	3,610	–	–
	191,341	271,355	12,555	41,546
	192,291	271,355	12,555	41,546

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	35,303	62,563	2,558	738
US Dollar	17,311	4,555	2,665	2,992
EURO	686	479	–	–
Hong Kong Dollar	193	79	–	–
Indonesian Rupiah	34	34	–	–
Cedi	519	156	–	–
Singapore Dollar	574	–	–	–
Philippine Peso	93	–	–	–
Great Britain Pound	2	–	–	–
	54,715	67,866	5,223	3,730

Credit terms of trade payables range from 45 days to 90 days (2007: 45 days to 90 days).

Included in other payables of the Group and of the Company at the end of the previous financial year were outstanding purchase considerations for the acquisition of subsidiaries and remaining interest in subsidiaries of RM15,000,000 and RM10,400,000 respectively, which has been fully repaid during the financial year.

Included in non-current payables are advances from shareholders of a subsidiary.

21 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	
	2008 RM'000	2007 RM'000
Deferred tax assets		
- Subject to corporate income tax	19,445	7,692
Deferred tax liabilities		
- Subject to corporate income tax	(20,007)	(16,828)

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

	Group	
	2008 RM'000	2007 RM'000
At 1 January	(9,136)	2,234
(Charged)/credited to income statement (Note 7)		
- Property, plant and equipment	(9,029)	(3,526)
- Intangible assets		
- Programme, film rights and royalties	2,039	(2,040)
- Acquired concession rights (Note 28)	1,460	2,433
- Allowances and provisions	(364)	403
- Hire purchase creditors	2,485	479
- Unused tax losses	5,893	2,105
- Unutilised capital allowances	4,626	2,274
- Advance billings	1,464	(215)
- Others	–	225
	8,574	2,138
Credited to equity		
- Property, plant and equipment	–	704
Acquisition of subsidiaries	–	(14,212)
At 31 December	(562)	(9,136)

21 DEFERRED TAXATION (cont'd)

Subject to income tax:

	Group	
	2008 RM'000	2007 RM'000
Deferred tax assets (before offsetting)		
- Intangible assets	3,701	1,662
- Allowances and provisions	489	853
- Hire purchase creditors	2,964	479
- Unused tax losses	7,998	2,105
- Advanced billings	2,949	1,485
- Unutilised capital allowances	9,683	5,057
	27,784	11,641
Offsetting	(8,339)	(3,949)
Deferred tax assets (after offsetting)	19,445	7,692
Deferred tax liabilities (before offsetting)		
- Intangible assets	(8,747)	(10,207)
- Property, plant and equipment	(19,599)	(10,570)
Offsetting	8,339	3,949
Deferred tax liabilities (after offsetting)	(20,007)	(16,828)

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	
	2008 RM'000	2007 RM'000
Unused tax losses	209,199	236,934
Deductible temporary differences	40,800	68,316
	249,999	305,250
Deferred tax assets not recognised at 25% (2007: 25%)	62,500	76,313

The deductible temporary differences and unused tax losses are available indefinitely for offset against future taxable profits of certain subsidiaries in the Group, subject to agreement with the Inland Revenue Board. Deferred tax assets have not been recognised in respect of the deductible temporary differences and unused tax losses as the respective subsidiaries in the Group have a history of losses, and are dormant.

22 PROPERTY, PLANT AND EQUIPMENT

	Freehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broadcasting and transmission equipment at cost RM'000	Production equipment at cost RM'000
Group						
2008						
Cost/valuation						
At 1.1.2008	10,246	5,751	41,754	1,613	522,784	989
Additions	294	–	–	80	27,530	305
Disposals	–	–	–	–	(21)	–
Write off	–	–	–	–	–	–
Currency translation differences	–	276	204	77	659	–
At 31.12.2008	10,540	6,027	41,958	1,770	550,952	1,294
Accumulated depreciation						
At 1.1.2008	–	1,816	10,671	1,605	376,397	677
Charge for the financial year	–	86	657	13	19,275	110
Disposals	–	–	–	(4)	(10)	–
Write off	–	–	–	–	–	–
Currency translation differences	–	47	24	40	325	–
At 31.12.2008	–	1,949	11,352	1,654	395,987	787
Accumulated impairment losses						
At 1.1.2008	3,265	–	5,618	–	36,407	–
At 31.12.2008	3,265	–	5,618	–	36,407	–
Net book value						
At 31.12.2008	7,275	4,078	24,988	116	118,558	507

	Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improvements at cost RM'000	Assets under construction at cost RM'000	Structures at cost RM'000	Total RM'000
	85,454	17,875	16,450	29,068	1,049	65,655	798,688
	9,282	2,890	6,115	880	61	3,828	51,265
	(106)	–	(3,938)	–	–	(557)	(4,622)
	(942)	(189)	–	–	–	(180)	(1,311)
	58	–	171	–	11	–	1,456
	93,746	20,576	18,798	29,948	1,121	68,746	845,476
	60,811	14,560	9,260	24,700	17	43,951	544,465
	7,703	2,752	2,793	344	–	5,374	39,107
	(260)	(132)	(649)	–	–	(93)	(1,148)
	(478)	–	–	–	–	(155)	(633)
	57	–	82	–	–	–	575
	67,833	17,180	11,486	25,044	17	49,077	582,366
	3,975	–	910	–	–	382	50,557
	3,975	–	910	–	–	382	50,557
	21,938	3,396	6,402	4,904	1,104	19,287	212,553

22 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land at cost RM'000	Long term leasehold land at valuation RM'000	Long term leasehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant and machinery at cost RM'000
Group						
2007						
Cost/valuation						
At 1.1.2007	10,246	–	–	5,751	41,551	795
Acquisition of subsidiaries	582	–	–	–	647	193
Additions	–	–	–	–	–	869
Disposals	–	–	–	–	–	–
Write off	–	–	–	–	–	(177)
Reclassified from investment property (Note 23)	–	–	–	–	149	–
Reclassified to investment property (Note 23)	(582)	–	–	–	(593)	–
Reclassification	–	–	–	–	–	–
Currency translation differences	–	–	–	–	–	(67)
At 31.12.2007	10,246	–	–	5,751	41,754	1,613
Accumulated depreciation						
At 1.1.2007	–	–	–	1,699	9,863	795
Acquisition of subsidiaries	–	–	–	–	205	155
Charge for the financial year	–	–	–	117	790	837
Disposals	–	–	–	–	–	–
Write off	–	–	–	–	–	(153)
Reclassified from investment property (Note 23)	–	–	–	–	20	–
Reclassified to investment property (Note 23)	–	–	–	–	(207)	–
Currency translation differences	–	–	–	–	–	(29)
At 31.12.2007	–	–	–	1,816	10,671	1,605

Broad-casting and trans-mission equipment at cost RM'000	Production equipment at cost RM'000	Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improve-ments at cost RM'000	Assets under con-struction at cost RM'000	Structures at cost RM'000	Total 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

22 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land at cost RM'000	Long term leasehold land at valuation RM'000	Long term leasehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant and machinery at cost RM'000
Group						
2007						
Accumulated impairment losses						
At 1.1.2007	3,265	–	–	–	5,618	–
Acquisition of subsidiaries	–	–	–	–	–	–
Charge for the financial year	–	–	–	–	–	–
At 31.12.2007	3,265	–	–	–	5,618	–
Net book value						
At 31.12.2007	6,981	–	–	3,935	25,465	8

Broad-casting and trans-mission equipment at cost RM'000	Production equipment at cost RM'000	Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improve-ments at cost RM'000	Assets under con-struction at cost RM'000	Structures at cost RM'000	Total RM'000
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

22 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Property, plant and equipment amounting to RM53.0 million for wholly owned subsidiaries of the Company, ntv7 and TV9, were assessed for impairment. No impairment loss was required for the carrying amount of the property, plant and equipment assessed as at 31 December 2008 as the recoverable amount was in excess of the carrying amount.

The key assumptions used in the value in use calculation as at 31 December 2008 are as detailed out in Note 25, except that the compound annual growth rate ('CAGR') used is 7.40% for ntv7 and 11.6% for TV9. The terminal growth rate is not used as the value in use is calculated using the projected cash flows of the property, plant and equipment for eight (8) years from 2009 to 2016, being the remaining useful lives of the property, plant and equipment.

The Group's review includes an impact assessment of changes in key assumptions.

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

In respect of TV9, a change to the key assumption on the projected revenue growth used in the discounted cash flow model could significantly affect the recoverable amount of the property, plant and equipment. It is estimated that should the revenue growth fall below the CAGR of 10.72%, over the remaining 8 years, the recoverable amount of the property, plant and equipment of TV9 will be lower than its carrying amount.

	Group	
	2008 RM'000	2007 RM'000
Office equipment, furniture & fittings		
Cost		
At 1 January	72	32
Additions	187	40
At 31 December	259	72
Accumulated depreciation		
At 1 January	15	8
Charge for the financial year	51	7
At 31 December	66	15
Net book value		
At 31 December	193	57

22 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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 RM'000	Accumulated depreciation RM'000	Net book value RM'000
2008			
Broadcasting, transmission and production equipment	26,196	3,854	22,342
Motor vehicles	504	301	203
	26,700	4,155	22,545
2007			
Broadcasting, transmission and production equipment	14,653	1,908	12,745
Motor vehicles	522	152	370
	15,175	2,060	13,115

23 INVESTMENT PROPERTIES

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

23 INVESTMENT PROPERTIES (cont'd)

	Note	Freehold land RM'000	Buildings RM'000	Cinema RM'000	Total RM'000
Group					
2007					
Cost					
At 1 January 2007		1,037	14,935	2,382	18,354
Disposal		–	(444)	–	(444)
Reclassified to property, plant and equipment	22	–	(149)	–	(149)
Reclassified from property, plant and equipment	22	582	593	–	1,175
At 31 December 2007		1,619	14,935	2,382	18,936
Accumulated depreciation					
At 1 January 2007		–	1,738	558	2,296
Charge for the financial year		–	227	47	274
Disposal		–	(82)	–	(82)
Reclassified to property, plant and equipment	22	–	(20)	–	(20)
Reclassified from property, plant and equipment	22	–	207	–	207
At 31 December 2007		–	2,070	605	2,675
Accumulated impairment losses					
At 1 January 2007		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

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 RM132,000 (2007: RM24,900) 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.

23 INVESTMENT PROPERTIES (cont'd)

The Group has also recognised a reversal of impairment loss of RM Nil (2007: RM4,510,000) 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 higher than the carrying amount.

The fair value of the properties was estimated at RM15.3 million (2007: RM15.2 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.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM55,849 (2007: RM524,702).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM176,013 (2007: RM88,671).

24 PREPAID LEASE RENTALS

		Group	
		2008	2007
	Note	RM'000	RM'000
Cost			
At 1 January		**11,014**	4,829
Additions		**–**	6,995
Currency translation differences		**312**	(810)
At 1 December		**11,326**	11,014
Accumulated amortisation			
At 1 January		**1,808**	1,219
Charge for the financial year		**334**	827
Currency translation differences		**22**	(238)
At 31 December		**2,164**	1,808
Net book value			
At 31 December		**9,162**	9,206

(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 nil (2007: RM1,715,000).

25 SUBSIDIARIES

	Company 2008 RM'000	Company 2007 RM'000
Unquoted shares, at cost	**614,829**	614,280

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Interest in equity 2008 %	Interest in equity 2007 %
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**	100
UPD Sdn Bhd	Malaysia	Outdoor advertising	**100**	100
The Right Channel Sdn Bhd	Malaysia	Outdoor advertising	**100**	100
Merit Idea Sdn Bhd	Malaysia	Investment holding	**100**	100
Perintis Layar Sdn Bhd	Malaysia	Investment holding	**100**	100
Primeworks Studios Sdn Bhd (formerly known as 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**	100
The Talent Unit Sdn Bhd	Malaysia	Talent management of artistes	**100**	100
Alternate Records Sdn Bhd	Malaysia	Album production and recording studio	**100**	100
Amity Valley Sdn Bhd	Malaysia	Investment holding	**100**	100
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	**100**	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	**100**	100

25 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2008 %	2007 %
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	**100**	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	**100**	100
mmStudios Sdn Bhd (formerly known as 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
Star Crest Sdn Bhd	Malaysia	Dormant	**100**	–
Lazim Juta Sdn Bhd	Malaysia	Investment holding	**100**	–
Held by Merit Idea Sdn Bhd				
Metropolitan TV Sdn Bhd ("8tv")	Malaysia	Commercial television broadcasting	**100**	100
Held by Perintis Layar Sdn Bhd				
Max-Airplay Sdn Bhd	Malaysia	Commercial radio broadcasting	**75**	75
Held by Big Tree Outdoor Sdn Bhd				
Big Tree Productions Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	**100**	100
Uniteers Outdoor Advertising Sdn Bhd	Malaysia	Advertising contracting and agents, sale of advertising space	**100**	100
Gotcha Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	**100**	100
Eureka Outdoor Sdn Bhd	Malaysia	Dormant	**100**	100
Anchor Heights Sdn Bhd	Malaysia	Dormant	**100**	100
Uni-Talent Gateway Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Alternate Records Sdn Bhd				
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	**60**	60

25 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2008 %	2007 %
Held by Primeworks Studios Sdn Bhd (formerly known as Grand Brilliance Sdn Bhd)				
Alt Media Sdn Bhd	Malaysia	New media businesses and related activities	**100**	100
Held by UPD Sdn Bhd				
Utusan Sinar Media Sdn Bhd	Malaysia	Dormant	**100**	100
Held by The Right Channel Sdn Bhd				
MMC-AD Sdn Bhd	Malaysia	Undertaking outdoor advertising business	**100**	100
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Amity Valley Sdn Bhd				
Gama Media International (BVI) Ltd	British Virgin Islands	Investment holding	**100**	100
Held by Gama Media International (BVI) Ltd				
Gama Film Company Limited ^	Republic of Ghana	Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution	**70**	70
TV3 Network Limited ^	Republic of Ghana	Media and communication businesses, managerial services and operation of free-to-air television service	**90**	90
Cableview Network Limited ^	Republic of Ghana	Dormant	**70**	70
Gama Media Systems Limited ^	Republic of Ghana	Dormant	**70**	70

25 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2008 %	2007 %
Held by Lazim Juta Sdn Bhd				
Strategic Media Asset Management Co. Ltd. (formerly known as MPB Asset Mgmt Co. Ltd.)	Labuan	Dormant	100	–
Held by mmStudios Sdn Bhd (formerly known as Newslink Asia Sdn Bhd)				
MPB Primedia Inc. ^	Philippines	Provision of airtime consultancy services	70	–

^ Audited by a firm other than PricewaterhouseCoopers, Malaysia

The Company undertook the test for impairment of its investment in ntv7 and TV9. No impairment loss was required for the carrying amount of investments in ntv7 and TV9 assessed as at 31 December 2008 as their recoverable amount was in excess of their carrying amount.

(a) Key assumptions used in the VIU calculations

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

i) Cash flows are derived based on the projections for a period of five (5) years. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

ii) The pre-tax discount rate used for cash flows discounting purpose is 10.29% (2007: 9.06%) based on the estimate of weighted average cost of capital (post tax) applicable for the Group.

iii) Growth rate for TV9 is estimated based on the growth in advertising revenue, both in spot-buys and sponsorships, arising from the re-positioning of, and re-branding exercise undertaken by TV9 targeting towards the younger Malay Urban market. The growth also takes into account of the comparatively low level of revenue currently recorded by TV9. The growth in content costs takes into account the costs of syndicated and in-house produced content that serves the new target market and the re-branded station. Revenue compound annual growth rate ('CAGR') of 15.75% over the 5 years and terminal growth rate of 2% are the key assumptions used for the purpose of VIU calculation.

25 SUBSIDIARIES (cont'd)

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

iv) Growth rate for ntv7 is estimated based on the growth in advertising revenue, both in spot-buys and sponsorships, arising from the projected continued improvement in the take-up of advertising and sponsorship slots by advertisers. The growth in content costs takes into account the costs of syndicated and in-house produced content that serves the station's target market, in addition to the industry's growth trends. Revenue CAGR of 8.86% over the 5 years period and terminal growth rate of 2% are the key assumptions used for the purpose of VIU calculation.

v) The growth in overhead costs is determined based on industry trends and past performance of the stations within the Group.

vi) Profit margins are projected based on the industry trends, together with the trends observed in other stations within the Group.

(b) Impact of possible change in key assumptions

The Group's review includes an impact assessment of changes in key assumptions.

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

For the investment in TV9, a change to the key assumption on the projected revenue growth used in the discounted cash flow model could significantly affect the carrying amount of the investment in TV9. It is estimated that revenue CAGR of below 14.83% over the 5 years, would result in the recoverable amount of the investment in TV9 to be lower than the carrying amount.

26 ASSOCIATES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 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	**36,556**	21,594	**–**	–
Goodwill on acquisition written off	**(88,763)**	(88,763)	**–**	–
	347,444	332,482	**399,651**	399,651
Total	**347,444**	332,482	**399,651**	399,651
Market value of quoted shares	**91,685**	187,131	**91,685**	187,131

26 ASSOCIATES (cont'd)

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

	Group 2008 RM'000	Group 2007 RM'000
Revenue	**250,284**	241,930
Net profit for the financial year	**20,529**	14,044
Non-current assets	**309,963**	316,228
Current assets	**101,434**	116,073
Current liabilities	**(55,447)**	(95,380)
Non-current liabilities	**(8,506)**	(4,439)
Share of net assets	**347,444**	332,482

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

Name of company	Principal activities	Interest in equity 2008 %	Interest in equity 2007 %
The New Straits Times Press (Malaysia) Berhad	Publishing and sale of newspaper and investment holding	**43.29**	43.29
Sistem Network Nusantara Sdn Bhd	Dormant	**49.00**	49.00

Contingent liabilities relating to associates are shown in Note 41 (d) to the financial statements.

The Company undertook a test for impairment of its investment in New Straits Times Press (Malaysia) Berhad ("NSTP"). No impairment loss was required for the carrying amount of investment in NSTP assessed as at 31 December 2008 as their recoverable amount was in excess of the carrying amount.

(a) Key assumptions used in the VIU calculations

Value-in-use for the investment in NSTP is determined by discounting the future cash flows to be generated based on the following assumptions:

i) Cash flows are derived based on projections for a period of five (5) years. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth. The estimated terminal growth rate used is 2%.

ii) The pre-tax discount rate used for cash flows discounting purpose is 13.0% based on the estimate of weighted average cost of capital applicable for the investment.

26 ASSOCIATES (cont'd)

iii) The foreign currency rate of USD:RM is estimated to be ranging from 3.63 to 3.10 over the 5 year projection period based on foreign exchange trends.

(b) Impact of possible change in key assumptions

The Group's review includes an impact assessment of changes in key assumptions.

It is estimated that where there is an increase in foreign currency rate of USD:RM by 8%, the carrying amount will equal the recoverable amount.

27 INVESTMENTS

	Group	
	2008 RM'000	2007 RM'000
At cost:		
Shares in corporations, quoted in Malaysia	291	291
Less: Allowance for diminution in value	(177)	(127)
	114	164
Units in property and unit trusts, quoted in Malaysia	5,210	5,210
Less: Allowance for diminution in value	(3,089)	(1,976)
	2,121	3,234
Shares in corporations, unquoted	88	381
Less: Allowance for diminution in value	–	(245)
	88	136
Club membership, unquoted	70	70
	2,393	3,604
At market value:		
Quoted shares	84	190
Quoted property and unit trusts	2,121	3,235

28 INTANGIBLE ASSETS

	Group			
	Programmes and film rights RM'000	Goodwill RM'000	Acquired concession rights and outdoor advertising rights RM'000	Total RM'000
At 1 January 2008	51,418	94,525	60,192	206,135
Additions during the financial year	189,251	–	–	189,251
	240,669	94,525	60,192	395,386
Gross amortisation during the financial year	(208,103)	–	(6,710)	(214,813)
Write off during the financial year	(1,489)	–	–	(1,489)
At 31 December 2008	31,077	94,525	53,482	179,084
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
Gross 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

Deferred tax liabilities arising from the amortisation of the acquired concession rights of RM1,460,000 (2007: RM2,433,000) have been credited to the income statement (Note 21), resulting in net amortisation of RM5,250,000 (2007: RM4,390,000).

Included in intangible assets arising from the acquisitions during the financial year were acquired rights which have indefinite useful lives, totalling RM22,113,000 (2007: RM22,113,000). These assets are deemed to have indefinite useful lives as they are renewable with minimum costs to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. The intangible assets are tested for impairment. Based on the test performed as described below, the Directors concluded that the VIU is higher than the carrying amount of the intangible assets.

Impairment tests for goodwill

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

	Group	
	2008 RM'000	2007 RM'000
TV	72,812	72,812
Radio	3,979	3,979
Outdoor	17,734	17,734
	94,525	94,525

28 INTANGIBLE ASSETS (cont'd)

The Group undertakes an annual test for impairment of its cash-generating units. No impairment loss was required for the carrying amount of the remaining goodwill assessed as at 31 December 2008 as their recoverable amounts were in excess of their carrying amounts.

The recoverable amount of the TV, Radio and Outdoor CGU, is determined based on value-in-use calculations, using cash flow projections based on financial budgets approved by the Directors covering a ten-year period. These forecasts and projections reflect management's expectation of revenue growth, operating costs and margins for each cash-generating unit based on past experience and future outlook.

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

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

		2008			2007	
	TV	Radio	Outdoor	TV	Radio	Outdoor
	%	%	%	%	%	%
Revenue growth	5.46	10.00	2.00	7.00	15.00	7.00
Pre-tax discount rate	10.29	10.29	10.29	9.06	9.06	9.06
Terminal growth rate	2.00	2.00	2.00	5.00	5.00	5.00

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the cash generating unit to exceed their recoverable amounts.

29 ASSETS HELD-FOR-SALE

	Group	
	2008	2007
	RM'000	RM'000
Property classified as assets held-for-sale:		
- Leasehold land	–	14,927
- Leasehold building	–	45,674
	–	60,601
Less: Loss on measurement at fair value less cost to sell	–	(1,941)
Fair value less cost to sell	–	58,660

In the previous financial year, a subsidiary entered into a sale and purchase agreement for the disposal of a piece of leasehold land together with a six storey building. This satisfied 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.

The disposal was completed during the financial year ended 31 December 2008.

30 INVENTORIES

	Group 2008 RM'000	Group 2007 RM'000
Consumable spares	–	426
Musical albums	35	13
	35	439

31 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	266,140	263,420	–	–
Less: Allowance for doubtful debts	(42,950)	(40,143)	–	–
	223,190	223,277	–	–
Less: Advanced billings	(5,501)	(4,066)	–	–
	217,689	219,211	–	–
Deposits	10,110	7,714	2,506	69
Prepayments	31,084	17,628	5,297	4,942
Other receivables	187,607	176,030	3,718	12
	228,801	201,372	11,521	5,023
Less: Allowance for doubtful debts	(166,310)	(166,147)	–	–
	62,491	35,225	11,521	5,023
	280,180	254,436	11,521	5,023

The currency exposure profile of trade receivables is as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	247,998	248,412	–	–
US Dollar	1,838	1,016	–	–
Cedi	15,228	13,756	–	–
Singaporean Dollar	850	147	–	–
Brunei Dollar	226	89	–	–
	266,140	263,420	–	–

Credit terms of trade receivables are 60 to 90 days (2007: 90 days).

32 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2008 RM'000	2007 RM'000
Amounts due from subsidiaries	**443,352**	471,587

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 RM Nil (2007: RM99 million) which bears interest at Nil% (2007: 5.00%) per annum.

33 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash and bank balances	**39,961**	53,923	**5,719**	12,724
Deposits with licensed financial institutions:				
- Deposits with licensed banks	**7,887**	30,259	**977**	959
- Deposits with licensed finance companies	**1,048**	1,016	**–**	–
- Deposits with discount houses	**2,187**	43,160	**96**	21,122
	11,122	74,435	**1,073**	22,081
Deposits, cash and bank balances (Note 35)	**51,083**	128,358	**6,792**	34,805

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Ringgit Malaysia	**50,621**	128,358	**6,792**	34,805
Cedi	**462**	–	**–**	–
	51,083	128,358	**6,792**	34,805

During the financial year, the interest rates for the deposits ranged from 3.00% to 3.70% (2007: 3.00% to 3.70%) per annum for the Group and for the Company. As at 31 December 2008, the effective interest rates for the deposits ranged from 3.00% to 3.70% (2007: 3.00% to 3.70%) per annum for the Group and for the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2007: 30 days to 365 days).

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

34 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.

35 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits, cash and bank balances (Note 33)	**51,083**	128,358	**6,792**	34,805
Cash from subsidiary acquired exclusively for sale	**82**	–	**–**	–
Less:				
Restricted deposits:				
- Deposits with a licensed bank	**(5,412)**	(25)	**–**	–
- Deposits with a licensed finance company	**–**	(1,016)	**–**	–
	45,753	127,317	**6,792**	34,805
Less: Bank overdrafts (Note 18)	**(1,674)**	(705)	**–**	–
	44,079	126,612	**6,792**	34,805

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

(a) Deposits with a licensed bank, amounting to RM5,412,352 (2007: RM25,000), which have been placed with the licensed bank for bank guarantee facilities extended to the Group;

(b) Deposits with a licensed finance company, amounting to RM Nil (2007: RM1,016,103), which have been placed with a licensed finance company pending the completion of the installation of certain equipment of the Group.

36 ACQUISITION AND INCORPORATION OF SUBSIDIARIES

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

(a) Lazim Juta Sdn Bhd ("LJSB")

On 16 April 2008, the Company had acquired 2 ordinary shares of RM1.00 each in LJSB representing 100% of the issued and paid-up share capital of LJSB. LJSB is currently dormant.

(b) Star Crest Sdn Bhd ("SCSB")

On 2 September 2008, the Company had acquired 2 ordinary shares of RM1.00 each in SCSB representing 100% of the issued and paid-up share capital of SCSB. SCSB is currently dormant.

(c) MPB Primedia Inc.

On 25 March 2008, MPB Primedia was incorporated as a subsidiary of mmStudios Sdn Bhd, for the purpose of setting up a Media Fund in Philippines, details of which are disclosed in Note 43 of the financial statements.

(d) Strategic Media Assets Mgt Co. Ltd.

On 21 April 2008, a new offshore subsidiary of LJSB, Strategic Media Assets Mgt Co. Ltd. was incorporated under the Offshore Companies Act 1990 with a paid up capital of USD100.

37 CASH FLOWS GENERATED FROM OPERATIONS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Net profit/(loss) for the financial year from:				
Continuing operations	117,703	117,440	56,639	93,080
Subsidiary acquired exclusively for sale	(45,257)	–	–	–
	72,446	117,440	56,639	93,080
Adjustments for:				
Programmes, film rights and album production cost				
- Amortisation	208,103	179,650	–	–
- Write off	1,489	44	–	–
Prepaid expenditure written off	284	284	–	–
Property, plant and equipment				
- Depreciation	39,107	37,639	51	7
- Gain on disposals	279	(199)	–	–
- Write off	678	305	–	–
Investment properties				
- Depreciation	271	274	–	–
- (Gain)/loss on disposal	(3,730)	83	–	–
Amortisation of prepaid lease rentals	334	827	–	–
Amortisation of intangibles	6,710	6,823	–	–
Impairment losses/(write back) of impairment losses on assets	132	(4,278)	–	–
Interest expenses	20,308	24,209	18,318	15,972
Amortisation of transaction fees – UREB	–	1,238	–	1,238
Allowance for diminution in value/(reversal of) allowance for diminution in value of quoted investments	1,163	(912)	–	–
Net unrealised exchange loss/(gain)	34	(547)	–	–
Share of results of an associate	(20,529)	(14,044)	–	–
Dividend income	(146)	(53)	(97,940)	(146,494)
Interest income	(1,493)	(2,338)	(115)	(6,327)
Taxation	41,561	31,655	25,597	37,936
Options granted during the year	–	1,266	–	71
Allowance for doubtful debts	4,010	–	–	–
Bad debts written off	1,422	–	–	–
Amortisation of BGMTN transaction cost	1,639	–	1,639	–
Loss on disposal of investment	38	–	–	–
	374,110	379,366	4,189	(4,517)
Changes in working capital:				
Inventories	404	865	–	–
Receivables	(33,538)	(54,619)	(6,498)	(1,998)
Payables	(222,492)	(176,150)	11,708	42,831
Subsidiaries	–	–	28,236	(123,200)
Associates	(3,803)	5,999	–	–
Cash flows generated from/(used in) operations	114,681	155,461	37,635	(86,884)

38 SIGNIFICANT NON-CASH TRANSACTIONS

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

	Group 2008 RM'000	Group 2007 RM'000
Property, plant and equipment obtained through:		
- contra arrangements with customers	**3,573**	1,704
- hire-purchase arrangements	**11,544**	2,253

39 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

Key management compensation is as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Key management:				
- Fees	**525**	490	**290**	272
- Basic salaries and bonus	**7,727**	5,276	**2,636**	1,961
- Allowance	**1,074**	1,496	**435**	732
- Defined contribution retirement plan	**1,360**	1,031	**484**	396
	10,686	8,293	**3,845**	3,361
Estimated monetary value of benefits-in-kind	**252**	248	**88**	16

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:

			Number of options over ordinary shares of RM1.00 each			
Grant date	Expiry date	Exercise price At RM/share	1 January 2008 '000	Granted '000	Exercised '000	At 31 December 2008 '000
Financial year ended 31 December 2008						
11 January 2005	10 January 2010	1.55	820	–	–	820
14 December 2005	10 January 2010	1.46	450	–	–	450
			1,270	–	–	1,270

39 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

			Number of options over ordinary shares of RM1.00 each			
		Exercise				At
	price	At	1 January			31 December
Grant date	Expiry date	RM/ share	2007	Granted	Exercised	2007
			'000	'000	'000	'000
Financial year ended 31 December 2007						
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

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

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

Name of company	Relationship
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
UPD Sdn. Bhd.	A subsidiary of the Company

	Company	
	2008 RM'000	2007 RM'000
(a) Fees receivable in relation to provision of procurement services to:		
- Sistem Televisyen Malaysia Berhad	**5,560**	5,109
- Metropolitan TV Sdn Bhd	**2,353**	2,126
- Natseven TV Sdn Bhd	**1,540**	1,497
- Ch-9 Media Sdn Bhd	**1,412**	1,988
(b) Interest receivable in relation to advances given to:		
- Sistem Televisyen Malaysia Berhad	**–**	4,950
(c) Dividends received/receivable net of tax from:		
- Sistem Televisyen Malaysia Berhad	**47,808**	80,366
- Big Tree Outdoor Sdn Bhd	**15,000**	19,710
- NSTP	**5,568**	6,864
- UPD Sdn. Bhd.	**4,100**	–
(d) Loan due from		
- Sistem Televisyen Malaysia Berhad	**–**	99,000

39 SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

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.

40 COMMITMENTS

(a) Capital commitments

	Group 2008 RM'000	Group 2007 RM'000
Capital commitments, approved but not contracted for		
- Property, plant and equipment	**55,103**	50,445
- Programmes and film rights	**289,103**	193,553
	344,206	243,998
Share of an associate's capital commitments	**14,315**	25,228

(b) Operating lease commitments

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

	Group 2008 RM'000	Group 2007 RM'000
- Not later than 1 year	**10,994**	11,100
- Later than 1 year and not later than 5 years	**9,217**	19,032
- Later than 5 years	**–**	1,164
	20,211	31,296

The operating lease commitments relate to the rental of the Company's registered office and principal place of business and offices leased by subsidiary companies.

41 CONTINGENT LIABILITIES

(a) Material litigation

(i) A claim of RM100 million (2007: RM100 million) for defamation action was brought against STMB for words mentioned and visual broadcasting during its news programme in 1998. The High Court on 28 June 2007, dismissed the Plaintiff's claim. The Plaintiff appealed, which is now pending. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.

(ii) A claim of RM24 million (2007: 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 have settled the matter out of court upon mutually agreed terms in 2008.

(iii) Three claims totalling RM270 million (2007: RM270 million) for defamation action was brought against STMB for visual images and statements made during its news programme broadcasted in 2007. The Directors are of the opinion, based on legal advice, that the claims have no merit and are unlikely to succeed.

41 CONTINGENT LIABILITIES (cont'd)

(a) Material litigation (cont'd)

(iv) A claim of RM100 million (2007: 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.

(v) Two new claims totalling RM11 million for defamation brought against a subsidiary, STMB for words mentioned during its news programme and other programme broadcasted in 2008. The Directors are of the opinion, based on legal advice, that the claim has no merit and is unlikely to succeed.

(b) The Group is a defendant in various other legal actions with contingent liabilities amounting to approximately RM13 million (2007: RM3.6 million). The Directors are of the opinion, after taking appropriate legal advice, that the outcome of such actions will not give rise to any significant loss.

(c) In June 2008, Inland Revenue Board issued Notices of Assessment ("NA") under Section 90(3) of the Act for Year of Assessments ("YA") 2004 to 2006 in respect of a subsidary, Synchrosound Studio Sdn. Bhd., the total tax liability for these YAs amounting to RM13.3 million in total. The Directors are of the opinion that the amounts raised in the NA is excessive following detailed submission sent.

(d) 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 2008 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.

42 SEGMENTAL ANALYSIS

(a) Primary reporting format – business segment

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

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

(b) Secondary reporting format – geographical segment

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

	Revenue RM'000	Losses from subsidiary acquired exclusively for sale RM'000	Capital expenditure RM'000	Total segment assets* RM'000
2008				
Malaysia	754,820	–	49,084	1,062,388
Republic of Ghana	26,470	–	2,181	36,693
Philippines	–	(45,257)	–	42,402
	781,290	(45,257)	51,265	1,141,483

42 SEGMENTAL ANALYSIS (cont'd)

(b) Secondary reporting format - geographical segment (cont'd)

	Revenue RM'000	Losses from subsidiary acquired exclusively for sale RM'000	Capital expenditure RM'000	Total segment assets* RM'000
2007				
Malaysia	666,958	–	35,046	1,186,778
Republic of Ghana	23,238	–	8,655	27,988
	690,196	–	43,701	1,214,766

* Excludes deferred tax assets and tax recoverable

43 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 25 March 2008, the Company announced the intention of the setting up of a Media Fund ("the Fund"). The Fund, with an expected size of USD100 million, is being established for the purpose of making private equity investment in the media sector within the ASEAN emerging markets including Indonesia, the Philippines, Vietnam and Malaysia. The initial financial close of the Fund is expected to take place by the end of the second quarter of 2009.

Pursuant to the announcement, on the same day, mmStudios Sdn Bhd (formerly known as Newslink Asia Sdn Bhd) ("MSSB"), the Company's wholly owned subsidiary entered into a Shareholders' Agreement with SBC Markwendell. Inc ("SBC") and MPB Primedia, Inc. ("MPI") for the subscription by both MSSB and SBC of their respective portions of common shares in MPI, whereby MSSB will hold 70% of the issued and paid up capital of MPI and SBC the balance 30%.

Pending the setting up of the Fund, MSSB and MPI have entered into a Shareholders' Agreement as described above, with the intention that the Shareholders' Agreement be novated and/or MSSB interest in MPI be transferred to the Fund after the Fund has been set up.

As the investment in MPI is intended to be held temporarily and is anticipated to be transferred to the Fund within the next twelve months, under FRS5 "Non-Current Assets Held For Sale", this investment is classified as "subsidiary acquired exclusively for sale". Consequently, the losses arising from MPI's share of the losses is included in the results of the Group:

	RM'000
MPI's losses for the period ended 31 December 2008	45,257
Minority interests (SBC)	(13,577)
The Group's share of losses	31,680

SBC has given an undertaking and commitment that the losses incurred by MPI for the period ended 31 December 2008 to the extent of their thirty percent (30%) shareholding will be borne by SBC and that they are able to provide the additional investment to cover these losses.

44 MATERIAL EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Company had on 29 September 2008 entered into a conditional share sale agreement with Zulkifli Bin Amin Noordin to acquire 80% of the issued and paid-up share capital of Radio Wanita Sdn Bhd, which is principally engaged in the operation of a radio broadcasting station for a cash consideration of RM12.2 million (subject to deduction of agreed liabilities). The acquisition was completed on 19 January 2009.

45 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.

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:

	2008		2007	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Investments				
- Quoted shares ^	114	84	164	190
- Quoted property and unit trusts ^	2,121	2,121	3,234	3,235
Irredeemable convertible unsecured loan stocks ^	–	–	9,275	15,488
Bank guaranteed medium term notes *	163,990	170,000	162,351	170,000
Term loans (unsecured) (non-current) *	49,589	51,974	56,865	63,815
Company				
Irredeemable convertible unsecured loan stocks ^	–	–	9,275	15,488
Bank guaranteed medium term notes *	163,990	170,000	162,351	170,000
Term loans (unsecured) (non-current) *	49,000	51,241	56,000	62,949

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

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

46 FINANCIAL RISK MANAGEMENT

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

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

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

(a) Foreign currency exchange risk

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

The exposure of the Group to currency fluctuations of Ringgit Malaysia to the US Dollar is constantly monitored by management. The exposure of the Group to other currency fluctuations are minimal.

(b) Fair value interest rate risk

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

(c) Price risk

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

46 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.

47 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 March 2009.

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 171 to 244 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 2008 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 18 March 2009.

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 171 to 244 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 18 March 2009, before me.

COMMISSIONER FOR OATHS

report of the auditors

to the members of media prima berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Media Prima Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 171 to 244.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in note 25 to the financial statements.

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

(d) The audit reports on the accounts of the subsidiaries did not contain any material qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

THAYAPARAN A/L S. SANGARAPILLAI
(No. 2085/09/10 (J))
Chartered Accountant

Kuala Lumpur
18 March 2009

analysis of shareholdings

as at 27 February 2009

Authorised Capital	:	RM2,000,000,000
Issued and Paid Capital	:	RM853,811,042
Class of Shares	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	28,457

DISTRIBUTION OF SHAREHOLDINGS

As At 27 February 2009

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	4,989	17.53	211,739	0.03
100 - 1000	13,557	47.64	6,783,015	0.80
1,001 - 10,000	8,841	31.07	26,229,195	3.07
10,001 - 100,000	867	3.05	21,717,651	2.54
100,001 to less than 5% of issued shares	199	0.70	349,058,943	40.88
5% and above of issued shares	4	0.01	449,810,499	52.68
Total	28,457	100.00	853,811,042	100.00

DIRECTORS' SHAREHOLDINGS

As At 27 February 2009

	Names	No. of Shares	%
1	Dato' Abdul Mutalib Bin Datuk Seri Mohamed Razak	–	–
2	Abdul Rahman Bin Ahmad	600,000	0.07
	Registered Into: Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Abdul Rahman Ahmad		
3	Shahril Ridza Bin Ridzuan	–	–
4	Tan Sri Lee Lam Thye	–	–
5	Dato' Sri Ahmad Farid Bin Ridzuan	190,000	0.02
6	Dato' Kamarulzaman Bin Hj Zainal	200,000	0.02
7	Tan Sri Mohamed Jawhar	–	–
8	Dato' Abdul Kadir Bin Mohd Deen	–	–
9	Dato' Gumuri Bin Hussain	–	–
	Total	990,000	0.11

SUBSTANTIAL SHAREHOLDERS

As At 27 February 2009

	Names	No. of Shares	%
1	Employees Provident Fund Board	195,272,158	22.87
2	Alliancegroup Nominees (Tempatan) Sdn Bhd **Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd**	123,023,070	14.40
3	Amanah Raya Berhad	123,023,070*	14.40
4	Alliancegroup Nominees (Asing) Sdn Bhd **Alliance Investment Management Berhad For Altima, Inc**	87,840,471	10.29
5	Cartaban Nominees (Asing) Sdn Bhd **SSBT Fund 2IB6 For Oakmark International Small Cap Fund**	43,674,800	5.12
	Total:	**449,810,499**	**52.68**

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

THIRTY (30) LARGEST SHAREHOLDERS

As At 27 February 2009

	Names	No. of Shares	%
1	Employees Provident Fund Board	195,272,158	22.87
2	Alliancegroup Nominees (Tempatan) Sdn Bhd **Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd**	123,023,070	14.40
3	Alliancegroup Nominees (Asing) Sdn Bhd **Alliance Investment Management Berhad For Altima, Inc**	87,840,471	10.29
4	Cartaban Nominees (Asing) Sdn Bhd **SSBT Fund 2IB6 For The Oakmark International Small Cap Fund**	43,674,800	5.12
5	HSBC Nominees (Asing) Sdn Bhd **Exempt An For JPMorgan Chase Bank, National Association (U.K.)**	26,107,000	3.06

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

As At 27 February 2009

	Names	No. of Shares	%
6	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	24,219,000	2.84
7	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M for Bill And Melinda Gates Foundation Trust	19,474,100	2.28
8	HSBC Nominees (Asing) Sdn Bhd TNTC For Saudi Arabian Monetary Agency	17,017,700	1.99
9	HSBC Nominees (Asing) Sdn Bhd Exempt An For The Hongkong and Shanghai Banking Corporation Limited (HBFS-B CLT 500)	16,483,320	1.93
10	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For Prudential Fund Management Berhad	16,380,163	1.92
11	Citigroup Nominees (Asing) Sdn Bhd Exempt An For Mellon Bank (Mellon)	14,975,900	1.75
12	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 59DS For Oregon Public Employees Retirement System	11,366,000	1.33
13	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For SpecialForeningen BankPension Emerging Markets Aktier (PAL)	10,820,300	1.27
14	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	10,548,800	1.24
15	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Brooklawn House	10,250,000	1.20
16	Cartaban Nominees (Asing) Sdn Bhd State Street Australia Fund UAJB For UniFund (HTSG As Trustee)	8,564,000	1.00
17	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Matthews Asia Pacific Equity Income Fund	6,070,600	0.71

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

As At 27 February 2009

	Names	No. of Shares	%
18	Valuecap Sd Bhd	6,064,800	0.71
19	Cartaban Nominees (Asing) Sdn Bhd **SSBT Fund NP9Q For Ontario Teachers' Pension Plan Board**	5,481,500	0.64
20	RHB Nominees (Tempatan) Sdn Bhd **RHB Investment Management Sdn Bhd For Telekom Malaysia Berhad (C)**	5,222,214	0.61
21	Mayban Nominees (Tempatan) Sdn Bhd **Mayban Investment Management Sdn Bhd For Kumpulan Wang Simpanan Pekerja (N14011980810)**	4,150,000	0.49
22	Minister of Finance	4,140,027	0.48
23	HSBC Nominees (Tempatan) Sdn Bhd **Nomura Asset Mgmt Malaysia For Employees Provident Fund**	4,115,700	0.48
24	Citigroup Nominees (Asing) Sdn Bhd **CBHK For Kuwait Investment Authority (Fund 222)**	3,402,500	0.40
25	Cartaban Nominees (Asing) Sdn Bhd **RBC Dexia Investor Services Bank For BI Global Emerging Markets Equities Sri Sicav (BI Sicav)**	3,379,300	0.40
26	AM Nominees (Tempatan) Sdn Bhd **Employees Provident Fund Board (A/C 1)**	2,983,900	0.35
27	HSBC Nominees (Asing) Sdn Bhd **BBH (Lux) SCA For Fidelity Funds Malaysia**	2,931,400	0.34
28	HSBC Nominees (Asing) Sdn Bhd **UBS Ag Zurich For SBC Lux Equity Portfolio Malaysia**	2,517,000	0.29
29	HSBC Nominees (Asing) Sdn Bhd **BNY Brussels For Investeringsforeningen Jop Emerging Markets**	2,192,700	0.26
30	HSBC Nominees (Asing) Sdn Bhd **BNY Brussels For Co-Operative Insurance Society Limited**	2,186,600	0.26
	Total	690,855,023	80.91

list of properties

as at 31 December 2008

Location	Type	Tenure	Date of Acquisition	Area	Description	Approximate Age of buildings (Years)	Net book Value (RM)
Country Height The Mines Resort City 43300 Seri Kembangan Selangor	Leasehold	99 years Expiry : 2091	5-May-01	14,863 sq ft	Bungalow house including furniture	10	2,645,677
Lot 2494 Mukim Peringat Daerah Peringat Kampung Parit Kota Bharu, Kelantan	Freehold	–	16-Aug-87	0.7039 ha	Television transmission station	20	180,655
Lot 374, Block 12 Miri Concession Land District Km 3, Jalan Miri-Bintulu Miri, Sarawak	Leasehold	60 years Expiry : 2053	8-Apr-93	0.4815 ha	Television transmission station	15	107,878
Pandan Ville Condominium Block B Jalan Pandan Indah 1/16 Pandan Indah 55100 Kuala Lumpur	Leasehold	99 years Expiry : 2091	1-Oct-01	8 unit x 1,587 sq ft	Condominium	11	1,628,725
Lot 340 Jalan Bangsar Utama 3 Off Jalan Maarof 59100 Kuala Lumpur	Leasehold	99 years Expiry : 2085	21-Aug-96	8,860 sq ft	Commercial building	11	1,800,000
Pangsapuri Greenpark Block B, Jalan Awan Pintal Pangsapuri Taman Hijau 58200 Kuala Lumpur	Freehold	–	25-Jun-96	5 unit x 1,232 sq ft	Condominium	9	581,496
Sri Intan Condominium No. 2, Jalan Terolak 6 Off Jalan Batu 5, Jalan Ipoh 51200 Kuala Lumpur	Freehold	–	21-Aug-96	2 unit x 206 sq metre	Condominium	10	955,089

Location	Type	Tenure	Date of Acquisition	Area	Description	Approximate Age of buildings (Years)	Net book Value (RM)
Commerce Square Batu 10 Jalan Kelang Lama SS8/1 Petaling Jaya Selatan Mukim Damansara Petaling, Selangor	Leasehold	99 years Expiry : 2091	30-May-01	1 unit x 2,963 sq ft 1 unit x 3,130 sq ft	Commercial building Commercial building	9 9	1,678,791
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 43,597 sq ft	Residential land	8	376,346
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	27-Jul-99	1 unit x 53,561 sq ft	Residential land	8	410,049
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	21-Sep-04	1 unit x 10,934 sq ft	Residential land	3	134,284
Lembah Beringin P.T. No 2133 Mukim Sungai Gumut Daerah Hulu Selangor Selangor	Freehold	–	21-Sep-04	1 unit x 10,955 sq ft	Residential land	3	134,830
Putrajaya Precinct 8 Phase 5A Unit C-3A-3A Level 4 (Tingkat 3), Block C Pusat Pentadbiran Kerajaan Persekutuan Putrajaya	Freehold	–	22-Dec-00	8,981.8 sq metre	Commercial building	7	123,074

list of properties

as at 31 December 2008

Location	Type	Tenure	Date of Acquisition	Area	Description	Approximate Age of buildings (Years)	Net book Value (RM)
Unit No. 102 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	–	14-May-04	942 sq ft	Apartment	3	100,000
Lot No. 76 Jalan Seksyen 3/3 Sekyen 3, Kajang Utama 43000 Kajang, Selangor	Freehold	–	14-May-04	1,650 sq ft	Commercial building	3	550,000
Summerset Resort	Leasehold	99 years					
Unit No : D120		Expiry : 2094	12-Dec-02	1,455 sq ft	Holiday bungalow	5	237,805
Unit No : D124			12-Dec-02	1,455 sq ft	Holiday bungalow	5	236,540
Unit No : GS-01-11			12-Dec-02	377 sq ft	Studio	5	124,532
Unit No : D108			4-May-04	1,500 sq ft	Holiday bungalow	3	284,352
Mukim Rompin Daerah Rompin Negeri Pahang							
Lot 2B-4-20 & 2B-4-21 Kompleks Tun Abdul Razak Geogetown, Penang	Leasehold	99 years Expiry : 2093	31-May-95	7,316 sq ft	Cineplex	12	1,652,343
Damai Laut Holiday Apartments Lot F2-01-03A & Lot F2-GF-03A Jalan Titi Panjang 32200 Lumut Perak	Leasehold	99 years Expiry : 2098	5-Aug-97	2 lot x 981 sq ft	Apartment	9	340,000

Location	Type	Tenure	Date of Acquisition	Area	Description	Approximate Age of buildings (Years)	Net book Value (RM)
Kawasan Perniagaan Permatang Rawa Jalan Permatang Rawa 1 14000 Bukit Mertajam Pulau Pinang	Freehold	–	29-Apr-97	5 lot x 5,092 sq ft	Commercial building	11	1,530,724
Lot No. 2.30	Freehold	99 years Expiry : 2093	15-Sep-04	603.88 sq ft	Commercial building	3	219,380
Lot No. 2.31	Freehold		15-Sep-04	603.88 sq ft	Commercial building	3	232,910
Lot No. 2.32	Freehold		15-Sep-04	596.99 sq ft	Commercial building	3	230,240
Summit Centre Shopping Complex Mines Wonderland Seri Kembangan Petaling, Selangor							
Lot No. 2344/45 Mukim of Jeram, Selangor	Freehold	–	9-Aug-06	4,292 sq ft	Double storey terrace	1	320,000
Lot 159 & 160 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	–	12-Nov-96	80,063 sq ft	Commercial land	–	7,093,700
Lot 7/9 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	–	12-Nov-96	7,562 sq ft	Commercial building	–	21,346,994
No. 9-2b, Jalan Desa 9/4 Bandar Country Homes 48000 Rawang, Selangor	Freehold	–	28-Dec-98	695 sq ft	Office unit	9	43,545

group directory

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

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

BIG TREE OUTDOOR SDN. BHD.
Lot 1.06, 1st Floor, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7728 3889
Fax : +603 7729 3999
Website: http://www.bigtreeoutdoor.com

CH-9 MEDIA SDN. BHD.
Sri Pentas, 3rd Floor, South Wing
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7985 8360
Fax : +603 7952 7819 / 7809
Website: http://www.tv9.com.my

NATSEVEN TV SDN. BHD.
Sri Pentas, 2nd Floor, North Wing
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 8777
Fax : +603 7726 9777
Email: feedback@ntv7.com.my
Website: http://www.ntv7.com.my

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
Balai Berita, 31 Jalan Riong
59100 Kuala Lumpur
Malaysia
Tel : +603 2282 3131
Fax : +603 2282 1428
Email : general@nstp.com.my
Website: http://www.nstp.com.my

GAMA MEDIA INTERNATIONAL (BVI) LIMITED
12th Road Kanda-Accra
Opposite the French Embassy
Box M83 Accra-Ghana
Tel : +21-763458 / 763462
Fax : +233-21-763450
E-mail: info@tv3.com.gh
Website: http://www.tv3.com.gh

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

ALT MEDIA SDN. BHD. (Formerly known as Cineart Enterprises Sdn. Bhd.)
Sri Pentas, 3rd Floor, North Wing
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 6333
Fax : +603 7710 3876
Email: contactus@gua.com.my
Website: http://www.gua.com.my

PRIMEWORKS STUDIOS SDN. BHD. (Formerly known as Grand Brilliance Sdn. Bhd.)
Sri Pentas
No. 3 Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Tel : +603 7726 6333
Fax : +603 7726 1333
Website: http://www.primeworks.com.my