



PERNYATAAN KEWANGAN

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LAPORAN PENGARAH

Pengarah-pengarah dengan sukacitanya membentangkan laporan mereka kepada ahli-ahli berserta dengan penyata kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun kewangan berakhir 31 Disember 2006.

AKTIVITI-AKTIVITI UTAMA

Aktiviti-aktiviti utama Syarikat terdiri daripada penerbitan dan penjualan akhbar-akhbar dan pemegangan pelaburan. Aktiviti-aktiviti utama Kumpulan terdiri daripada penerbitan dan penjualan akhbar-akhbar dan majalah-majalah, penyediaan khidmat editorial, penyediaan khidmat menerusi talian internet, pengiklanan media dan luaran, perkhidmatan pengurusan hartanah dan pemegangan pelaburan.

Tiada sebarang perubahan penting yang berlaku kepada aktiviti-aktiviti ini sepanjang tahun kewangan.

Aktiviti-aktiviti utama anak-anak syarikat dan syarikat-syarikat bersekutu adalah seperti yang disenaraikan dalam Nota 35 kepada penyata kewangan.

KEPUTUSAN KEWANGAN

	Kumpulan RM'000	Syarikat RM'000
Keuntungan bagi tahun kewangan	<u>24,561</u>	<u>526,905</u>

DIVIDEN

Dividen yang dibayar atau diumumkan oleh Syarikat sejak 31 Disember 2005 adalah seperti berikut:

	RM'000
Bagi tahun kewangan berakhir 31 Disember 2005, dividen kasar akhir sebanyak 5 sen sesaham ke atas 217,227,804 unit saham biasa, tolak cukai pendapatan 28%, dibayar pada 20 Julai 2006	<u>7,821</u>

Pengarah-pengarah telah mencadangkan bayaran dividen kasar khas sebanyak 5 sen sesaham dan dividen kasar akhir sebanyak 5 sen sesaham untuk jumlah dividen sebanyak 10 sen sesaham ke atas 217,227,804 unit saham biasa, tolak cukai pendapatan 27%, berjumlah RM15,858,000 bagi tahun kewangan berakhir 31 Disember 2006, bergantung kepada kelulusan daripada pemegang-pemegang saham pada Mesyuarat Agung Tahunan Syarikat yang akan datang ini.

RIZAB-RIZAB DAN PERUNTUKAN-PERUNTUKAN

Semua pemindahan-pemindahan yang material kepada atau daripada rizab-rizab dan peruntukan-peruntukan sepanjang tahun kewangan adalah ditunjukkan dalam penyata kewangan.

SAHAM-SAHAM TERBITAN

Tiada saham baru diterbitkan sepanjang tahun kewangan.

SKIM OPSYEN SAHAM PEKERJA

Pada 28 Januari 2004, berikutan daripada kelulusan untuk Skim Opsyen Saham Pekerja ("ESOS") oleh ahli-ahli Syarikat di dalam Mesyuarat Agung Tahunan Luarbiasa ("EGM") yang telah diadakan pada 12 Januari 2004, opsyen sebanyak 20,739,900 unit saham biasa Syarikat pada harga RM1.00 sesaham telah diberikan kepada semua pekerja Syarikat dan/atau anak-anak syarikatnya termasuklah para Pengarah Eksekutif sepenuh masa Syarikat pada harga opsyen RM4.05 sesaham. Ciri-ciri utama ESOS tersebut adalah seperti berikut:

- (i) Pekerja-pekerja yang layak adalah pekerja-pekerja yang telah berkhidmat dengan Syarikat dan/atau anak-anak syarikatnya bagi tempoh masa yang berturutan selama enam (6) bulan, termasuklah perkhidmatan di dalam tempoh percubaan, pada 16 Januari 2004.
- (ii) Pekerja di bawah kontrak yang layak adalah pekerja yang telah berkhidmat dengan Syarikat dan/atau anak-anak syarikatnya selama sekurang-kurangnya satu (1) tahun pada 16 Januari 2004.
- (iii) ESOS ini akan berkuatkuasa selama lima (5) tahun bermula pada 28 Januari 2004. Ia akan luput pada 27 Januari 2009.

SKIM OPSYEN SAHAM PEKERJA (samb.)

- (iv) Opsyen boleh dilaksanakan oleh pekerja-pekerja yang layak dengan memberi notis secara bertulis kepada Syarikat sepanjang tempoh opsyen untuk semua atau sebahagian daripada saham-saham biasa baru Syarikat dalam gandaan pada dan tidak kurang daripada satu ratus (100) unit saham-saham biasa.
- (v) Pekerja-pekerja yang layak yang berkhidmat secara kontrak boleh melaksanakan sebarang baki opsyen yang masih ada di dalam tahun di mana kontraknya itu akan berakhir sebelum luputnya kontrak tersebut jika tempoh masa kontrak yang masih tinggal pada tarikh di mana opsyen itu diluluskan adalah kurang daripada tempoh opsyen tersebut.
- (vi) Bergantung kepada Undang-undang Kecil, hak bagi setiap pekerja yang menghadapi Tatacara Disiplin (sama ada Tatacara Disiplin tersebut memungkinkan pemecatan atau pemberhentian pekerja tersebut) untuk melaksanakan opsyennya akan digantung serta merta sebaik sahaja penerimaan notis untuk mengadap Tatacara Disiplin (sama ada penerimaan notis untuk tunjuk sebab atau tuduhan atau sebagainya), tanpa sebarang notis tentang penggantungan tersebut oleh Syarikat, bergantung kepada keputusan Tatacara Disiplin tersebut.
- (vii) Jumlah saham-saham biasa yang boleh dikeluarkan di bawah ESOS mestilah tidak melebihi 10% daripada jumlah keseluruhan modal saham terbitan dan berbayar Syarikat pada satu-satu masa sepanjang tempoh kewujudan ESOS tersebut.
- (viii) Tidak lebih daripada lima puluh peratus (50%) daripada saham-saham baru yang boleh diterbitkan dan dibahagikan hasil daripada skim tersebut boleh diberikan kepada para Pengarah Eksekutif dan Pengurusan Kanan Kumpulan NSTP tetapi tidak lebih daripada sepuluh peratus (10%) daripada saham-saham baru yang boleh diterbitkan dan dibahagikan hasil daripada skim tersebut boleh diberikan kepada mana-mana pekerja Kumpulan yang layak sama ada secara perseorangan atau berkumpulan melalui satu atau lebih daripada sekutu-sekutunya yang memegang dua puluh peratus (20%) atau lebih daripada modal terbitan dan berbayar Syarikat.
- (ix) Harga opsyen RM4.05 sesaham telah ditentukan oleh pihak Lembaga dari cadangan oleh Jawatankuasa Opsyen yang ditentukan tidak lebih daripada 10% diskaun daripada min purata harga pasaran saham Syarikat bagi tempoh lima (5) hari pasaran sebelum tarikh tawaran atau peratusan lain sebagaimana yang dibenarkan oleh pihak yang berkaitan dari masa ke semasa.

Mereka-mereka yang telah diberikan opsyen-opsyen tidak mempunyai hak untuk menyertai, dengan adanya opsyen itu, sebarang terbitan saham syarikat lain.

Pada 28 September 2004, Jawatankuasa Opsyen telah meluluskan pemberian tambahan opsyen saham kepada pekerja-pekerja yang baru layak, yang telah berkhidmat sekurang-kurangnya enam (6) bulan atau satu (1) tahun, di mana sesuai, dari tarikh 16 September 2004. Terdapat sebanyak 784,300 opsyen-opsyen yang ditawarkan pada harga RM3.55 sesaham. Opsyen-opsyen ini akan luput pada 27 Januari 2009.

Harga opsyen RM3.55 sesaham telah ditentukan dengan menggunakan purata harga pasaran bagi saham Syarikat untuk lima (5) hari pasaran dari tarikh tawaran opsyen, atau nilai par bagi saham Syarikat sebanyak RM1.00, yang mana lebih tinggi.

Berikutan kelulusan yang diperolehi daripada pemegang-pemegang sahamnya di dalam EGM yang telah diadakan pada 31 Januari 2005, Jawatankuasa Opsyen memberikan 450,000 opsyen pada harga RM3.51 sesaham pada 2 Februari 2005 kepada YBhg Dato' Kalimullah bin Masheerul Hassan, Ketua Pengarang Kumpulan dan Pengarah Eksekutif Syarikat.

Kontrak YBhg Dato' Kalimullah bin Masheerul Hassan sebagai Ketua Pengarang Kumpulan dengan Syarikat telah tamat pada 31 Disember 2005. Beliau kemudiannya dilantik sebagai Timbalan Pengerusi Bukan Eksekutif Bukan Bebas Syarikat bermula 1 Januari 2006.

Berikutan itu, Jawatankuasa Opsyen telah meluluskan YBhg Dato' Kalimullah bin Masheerul Hassan untuk meneruskan pegangan dan melaksanakan opsyen yang masih belum dilaksanakan sehingga 31 Disember 2006, iaitu setahun dari tarikh penamatan kontraknya sebagai Ketua Pengarang Kumpulan.

SKIM OPSYEN SAHAM PEKERJA (samb.)

Pergerakan di dalam bilangan opsyen saham adalah seperti berikut:

Bilangan opsyen ke atas saham-saham biasa pada harga RM1.00 sesaham

	Harga opsyen sesaham pada RM4.05	Harga opsyen sesaham pada RM3.55	Harga opsyen sesaham pada RM3.51
Pada 1 Januari 2006	17,569,600	601,300	450,000
Yang luput	(797,000)	(105,000)	0
Pada 31 Disember 2006	<u>16,772,600</u>	<u>496,300</u>	<u>450,000</u>

Kesemua saham-saham baru biasa yang diberikan berkaitan dengan ESOS adalah bertaraf "pari passu" di dalam semua keadaan dengan saham-saham biasa yang sedia ada di dalam Syarikat, kecuali saham-saham yang diterbitkan itu tidak akan layak untuk menerima dividen, pemberian hak-hak atau sebarang pengagihan lain terdahulu daripada tarikh pemberian saham-saham baru.

PENGARAH-PENGARAH

Pengarah-pengarah yang memegang jawatan sepanjang tempoh dari tarikh laporan terakhir adalah:

YBhg Dato' Seri Mohamed Jawhar

YBhg Dato' Kalimullah bin Masheerul Hassan

YBhg Dato' Syed Faisal Albar bin Syed A.R Albar

YBhg Dato' Zolkipli bin Abdul

Encik Abdul Rahman bin Ahmad

Encik Shahril Ridza bin Ridzuan

YBhg Dato' Dr Mohd Shahari bin Ahmad Jabar

YBhg Dato' Abdul Mutalib bin Mohamed Razak

YBhg Dato' Hishamuddin bin Aun

(dilantik pada 27 Jun 2006)

YBhg Jeneral (B) Tan Sri Dato' Mohd Ghazali bin Haji Che Mat

(bersara pada 27 Jun 2006)

Encik Shivadas s/o PK Raman

(bersara pada 27 Jun 2006)

Menurut Artikel 108 Tataurusuan Syarikat, YBhg Dato' Zolkipli bin Abdul, YBhg Dato' Seri Mohamed Jawhar dan YBhg Dato' Abdul Mutalib bin Mohamed Razak bersara pada Mesyuarat Agung Tahunan akan datang, dan kerana layak, menawarkan diri mereka untuk dipilih semula.

Menurut Artikel 113 Tataurusuan Syarikat, YBhg Dato' Hishamuddin bin Aun bersara pada Mesyuarat Agung Tahunan akan datang, dan kerana layak, menawarkan dirinya untuk dipilih semula.

MANFAAT-MANFAAT PENGARAH-PENGARAH

Sepanjang dan pada akhir tahun kewangan, tiada perancangan diatur di mana Syarikat menjadi pihak, dengan tujuan atau tujuan-tujuan untuk membolehkan Pengarah-pengarah Syarikat memperolehi manfaat-manfaat dengan cara pengambilalihan saham-saham atau debentur-debentur Syarikat atau badan korporat lain, melainkan menyambung pemberian opsyen saham kepada Timbalan Pengerusi Bukan Eksekutif Bukan Bebas dalam ESOS Syarikat sepanjang tahun kewangan.

Sejak berakhirnya tempoh kewangan yang lalu, tiada Pengarah yang menerima atau berhak menerima apa-apa manfaat (selain daripada Pengarah yang dinyatakan dalam Nota 10 kepada penyata kewangan) dengan sebab kontrak yang dibuat oleh Syarikat atau syarikat berkaitan dengan Pengarah atau dengan firma yang mana beliau adalah seorang ahli, atau dengan syarikat lain di mana beliau mempunyai kepentingan kewangan yang ketara.

KEPENTINGAN-KEPENTINGAN PENGARAH

Mengikut daftar pegangan saham Pengarah-pengarah, butir-butir kepentingan Pengarah-pengarah yang memegang jawatan di dalam Syarikat pada akhir tahun kewangan adalah seperti yang berikut:

	Bilangan saham-saham biasa pada harga RM1.00 setiap satu			
	Pada tarikh perlantikan	Diperoleh	Dilupus	Pada 31.12.2006
Pegangan saham mengikut nama Pengarah				
YBhg Dato' Hishamuddin bin Aun	5,000	0	0	5,000

	Bilangan opsyen ke atas saham-saham biasa pada harga RM1.00 setiap satu				
	Pada 1.1.2006/ tarikh perlantikan	Diberi	Dilaksana	Luput	Pada 31.12.2006
YBhg Dato' Kalimullah bin Masheerul Hassan	450,000	0	0	0	450,000
YBhg Dato' Syed Faisal Albar bin Syed A.R Albar	450,000	0	0	0	450,000
YBhg Dato' Hishamuddin bin Aun	135,000	0	0	0	135,000

Selain daripada apa yang dinyatakan di atas, mengikut pendaftar pegangan saham Pengarah-pengarah, tiada seorang pun daripada Pengarah-pengarah yang memegang jawatan di akhir tahun kewangan mempunyai sebarang kepentingan di dalam saham-saham dan opsyen-opsyen saham di dalam Syarikat, atau saham-saham di dalam atau debentur-debentur kepada perbadanan-perbadanan yang berkaitan sepanjang tahun kewangan.

MAKLUMAT BERKANUN KEPADA PENYATA KEWANGAN

Sebelum penyata pendapatan dan kunci kira-kira disediakan, Pengarah-pengarah telah mengambil langkah-langkah yang berpatutan:

- untuk menentukan bahawa tindakan yang betul telah diambil berkaitan dengan penghapusan-kiraan hutang lapuk dan penyediaan elaun hutang ragu dan telah berpuas hati bahawa semua hutang-hutang lapuk yang diketahui sudah dihapus-kira dan elaun yang mencukupi sudah dibuat untuk hutang-hutang ragu; dan
- untuk memastikan supaya sebarang aset-aset semasa, selain daripada hutang-hutang, yang tidak mungkin direalis dalam urusan biasa perniagaan seperti ditunjukkan dalam rekod-rekod perakaunan Kumpulan dan Syarikat, telah diturunkan nilainya kepada jumlah yang dijangka boleh direalisasikan.

Pada tarikh laporan ini, Pengarah-pengarah tidak mengetahui sebarang keadaan:

- yang boleh menyebabkan jumlah hutang-hutang lapuk yang dihapus-kira atau jumlah elaun untuk hutang-hutang ragu dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi pada tahap yang ketara; atau
- yang boleh menyebabkan kesilapan nilai pada aset-aset semasa dalam penyata kewangan Kumpulan dan Syarikat; atau
- yang berbangkit yang boleh menimbulkan kesilapan atau kesalahan kepada kaedah yang sedia ada dalam penilaian aset dan liabiliti Kumpulan dan Syarikat.

Tiada liabiliti luar jangka atau liabiliti lain yang telah dikuatkuasakan atau yang boleh dikuatkuasakan dalam tempoh dua belas bulan selepas akhir tahun kewangan, yang pada pendapat Pengarah-pengarah, akan atau mungkin memberi kesan ke atas keupayaan Kumpulan atau Syarikat untuk menjalankan tugas mereka bila sampai masanya.

Pada tarikh laporan ini, tidak wujud perkara-perkara berikut:

- sebarang cagar ke atas aset-aset Kumpulan atau Syarikat yang timbul sejak akhir tahun kewangan kerana menjamin liabiliti orang lain; atau
- sebarang liabiliti luar jangka Kumpulan atau Syarikat yang wujud sejak akhir tahun kewangan.

Pada tarikh laporan ini, Pengarah-pengarah tidak mengetahui sebarang keadaan, selain yang dinyatakan dalam laporan ini atau dalam penyata kewangan yang mungkin mengakibatkan kesalahan pada sebarang jumlah yang dinyatakan dalam penyata kewangan.

MAKLUMAT BERKANUN KEPADA PENYATA KEWANGAN (samb.)

Pada pendapat Pengarah-pengarah:

- (a) kecuali yang dinyatakan dalam Nota 29 kepada penyata kewangan, keputusan operasi Kumpulan dan Syarikat sepanjang tahun kewangan tidak banyak terjejas oleh sebarang perkara, urusan niaga atau peristiwa yang material dan luar biasa; dan
- (b) kecuali yang dinyatakan dalam Nota 36 kepada penyata kewangan, tidak berlaku di antara akhir tempoh kewangan dan tarikh laporan ini, sebarang perkara, urusan niaga atau peristiwa yang material dan luar biasa yang boleh memberi kesan besar ke atas keputusan operasi Kumpulan atau Syarikat bagi tahun kewangan di mana laporan ini dibuat.

PERISTIWA-PERISTIWA PENTING SEPANJANG TAHUN KEWANGAN

- (a) Pada Januari 2006, skim pemisahan sukarela ("VSS") telah dilaksanakan dan ditawarkan kepada pekerja-pekerja Kumpulan dan Syarikat yang berkecualan, hasil daripada penyusunan semula dalaman bagi mengurangkan kos operasi dan pekerja-pekerja yang berlebihan. Jumlah bayaran yang telah dibayar kepada pekerja-pekerja Kumpulan dan Syarikat masing-masing adalah RM28,348,000 dan RM18,962,000 sepanjang tahun kewangan yang berkaitan dengan VSS.

- (b) Syarikat telah memperolehi kelulusan pemegang-pemegang saham pada EGM yang telah diadakan pada 31 Januari 2005, ke atas cadangan peruntukan ESOS kepada YBhg Dato' Kalimullah bin Masheerul Hassan, ketika itu Ketua Pengarah Kumpulan dan Pengarah Eksekutif Syarikat. Berikutan dengan itu, Jawatankuasa Opsyen telah memberi sebanyak 450,000 unit opsyen pada harga RM3.51 sesaham pada 2 Februari 2005 kepada YBhg Dato' Kalimullah bin Masheerul Hassan.

Kontrak YBhg Dato' Kalimullah bin Masheerul Hassan sebagai Ketua Pengarah Kumpulan bersama Syarikat telah tamat pada 31 Disember 2005. Berikutan dengan itu, beliau telah dilantik sebagai Timbalan Pengerusi Bukan Eksekutif Bukan Bebas kepada Syarikat berkuatkuasa dari tarikh 1 Januari 2006. Ekoran dari itu, Jawatankuasa Opsyen telah meluluskan YBhg Dato' Kalimullah bin Masheerul Hassan untuk menyambung pegangan dan pelaksanaan ke atas opsyen yang belum dilaksanakan sehingga 31 Disember 2006, iaitu satu tahun dari tarikh tamat kontrak sebagai Ketua Pengarah Kumpulan.

- (c) Pada 28 September 2006, satu resolusi khas telah diluluskan pada EGM bagi Pitisan Sdn Bhd ("Pitisan"), anak syarikat milik penuh Syarikat, yang telah dibubarkan melalui Pembubaran Sukarela Ahli menurut Seksyen 254(1)(b) Akta Syarikat, 1965. Pembubar bersama yang dilantik ialah Chin Kim Chung dan Loh Kok Leong dari Russell Bedford LC & Company, Akauntan Bertauliah, Tingkat 10, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur.

Pelaburan-pelaburan Pitisan dalam Basshill Holdings Limited ("Basshill") dan Worldbase Investment Limited ("Worldbase"), anak-anak syarikat milik sepenuhnya, yang mana telah diperuntukkan sepenuhnya, telah dipindahkan kepada Syarikat pada nilai buku bersih RM1.

Berikutan dari pembubaran itu, Surat Ikatan Serah Hak dan Perjanjian Pembahagian yang bertarikh 20 November 2006 telah ditandatangani di antara Pitisan dan Syarikat, di mana kedua-dua pihak bersetuju hutang daripada Syarikat kepada Pitisan akan diserahkan kepada Syarikat, dan ditafsirkan sebagai dana pulangan lebih modal sebagai kaedah pembahagian khusus kepada Syarikat. Pada 14 Disember 2006, pulangan lebih modal aset interim bagi Pitisan yang pertama berjumlah RM507,871,000 telah diisytiharkan dan dibahagikan kepada Syarikat.

PERISTIWA PENTING SELEPAS KUNCI KIRA-KIRA

Peristiwa penting selepas kunci kira-kira dinyatakan dalam Nota 36 kepada penyata kewangan.

JURUAUDIT

Juruaudit, PricewaterhouseCoopers, telah menyatakan kesediaan mereka untuk meneruskan perkhidmatan.

Ditandatangani bagi pihak Lembaga Pengarah selaras dengan resolusi mereka bertarikh 16 April 2007.

DATO' SERI MOHAMED JAWHAR
PENGERUSI

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR
KETUA PEGAWAI EKSEKUTIF

PENYATA PENGARAH MENURUT SEKSYEN 169(15) AKTA SYARIKAT, 1965

Kami, Dato' Seri Mohamed Jawhar dan Dato' Syed Faisal Albar bin Syed A.R Albar, dua daripada Pengarah-pengarah The New Straits Times Press (Malaysia) Berhad, menyatakan bahawa, pada pendapat Pengarah-pengarah, penyata kewangan yang dibentangkan di muka surat 63 hingga 104 telah disusun supaya ia menggambarkan dengan benar dan saksama keadaan Kumpulan dan Syarikat pada 31 Disember 2006 dan keputusan perniagaan dan aliran tunai Kumpulan dan Syarikat bagi tahun kewangan berakhir pada tarikh tersebut menurut peruntukan Akta Syarikat, 1965 dan piawai-piawai perakaunan MASB yang diluluskan di Malaysia.

Ditandatangani bagi pihak Lembaga Pengarah dan selaras dengan resolusi mereka bertarikh 16 April 2007.

DATO' SERI MOHAMED JAWHAR
PENGERUSI

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR
KETUA PEGAWAI EKSEKUTIF

PENGAKUAN BERKANUN MENURUT SEKSYEN 169(16) AKTA SYARIKAT, 1965

Saya, Jezilee bin Mohamad Ramli, pegawai yang bertanggungjawab sepenuhnya ke atas pengurusan kewangan The New Straits Times Press (Malaysia) Berhad, dengan cara bersungguh-sungguh dan ikhlas mengakui bahawa, penyata kewangan yang dibentangkan di muka surat 63 hingga 104 adalah, pada pendapat saya, betul dan saya membuatakuan yang bersungguh-sungguh ini dengan penuh kepercayaan bahawa ianya adalah benar dan menurut kuasa yang diperuntukan oleh Akta Akuan Berkanun, 1960.

JEZILEE BIN MOHAMAD RAMLI
KETUA PEGAWAI KEWANGAN

Diakui dan diisytiharkan dengan sesungguhnya oleh penama Jezilee bin Mohamad Ramli di Kuala Lumpur pada 16 April 2007.

Di hadapan saya : **MOHD RADZI BIN YASIN**
(No. W327)
PESURUHJAYA SUMPAAH



PricewaterhouseCoopers (AF 1146)
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LAPORAN JURUAUDIT KEPADA AHLI-AHLI THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

(No. Syarikat. 4485-H)

Kami telah mengaudit penyata kewangan seperti yang dibentangkan di muka surat 63 hingga 104. Penyata kewangan ini adalah di bawah tanggungjawab Pengarah-pengarah Syarikat. Adalah menjadi tanggungjawab kami untuk menyatakan pendapat yang bebas ke atas penyata kewangan ini berdasarkan audit kami, dan untuk melaporkan pendapat kami kepada anda, sebagai satu badan, menurut Seksyen 174 Akta Syarikat, 1965 dan bukan untuk tujuan lain. Kami tidak memikul tanggungjawab ke atas orang lain berkenaan dengan kandungan laporan ini.

Kami telah menjalankan audit kami menurut piawai-piawai audit yang diluluskan di Malaysia. Piawai-piawai tersebut memerlukan kami merancang dan melaksanakan audit untuk mendapatkan kepastian yang munasabah sama ada penyata kewangan adalah bebas daripada salah nyata yang material. Audit termasuklah memeriksa, berasaskan ujian, bukti yang menyokong jumlah dan keterangan dalam penyata kewangan ini. Audit juga termasuklah menilai prinsip-prinsip perakaunan yang digunakan dan anggaran-anggaran penting yang dibuat oleh Pengarah-pengarah, dan juga menilai secara keseluruhan cara penyata kewangan dipersembahkan. Kami percaya bahawa audit kami menyediakan asas yang munasabah bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan telah disediakan menurut peruntukan Akta Syarikat, 1965 dan Piawai-piawai Perakaunan (MASB) yang diluluskan di Malaysia untuk Entiti-entiti Selain Dari Entiti Persendirian bagi memberikan gambaran yang sebenar dan saksama mengenai:
 - (i) perkara-perkara yang diperlukan oleh Seksyen 169 Akta Syarikat, 1965 bagi digunakan dalam penyata kewangan; dan
 - (ii) sebarang perkara yang berhubung dengan Kumpulan dan Syarikat pada 31 Disember 2006 dan keputusan serta aliran tunai Kumpulan dan Syarikat bagi tahun kewangan berakhir pada tarikh tersebut;

dan

- (b) rekod perakaunan dan rekod-rekod lain dan daftar-daftar yang dikehendaki oleh Akta untuk disimpan oleh Syarikat dan anak-anak syarikat yang mana kami bertindak sebagai juruaudit telah disimpan dengan sempurna menurut peruntukan-peruntukan Akta tersebut.

Kami berpuas hati bahawa penyata kewangan anak-anak syarikat yang telah disatukan dengan penyata kewangan Syarikat adalah dalam bentuk dan kandungan yang bersesuaian dan teratur untuk tujuan penyediaan penyata kewangan yang disatukan, dan kami telah menerima maklumat yang memuaskan dan keterangan-keterangan yang diperlukan untuk tujuan tersebut.

Laporan juruaudit ke atas penyata kewangan anak-anak syarikat tidak tertakluk kepada sebarang pengecualian dan tidak mengandungi sebarang ulasan yang dibuat di bawah sub-seksyen 3 seksyen 174 Akta tersebut.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Akauntan Bertauliah

SRIDHARAN NAIR

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

Rakan Kongsi Firma

Kuala Lumpur

16 April 2007.

	Nota	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Perolehan	7	520,063	531,684	507,803	516,744
Kos jualan		(395,453)	(400,835)	(379,743)	(390,502)
Keuntungan kasar		124,610	130,849	128,060	126,242
Lain-lain pendapatan operasi (termasuk keuntungan ke atas pelupusan anak syarikat berjumlah RM497,871,000 (2005: Sifar) untuk Syarikat, dan masuk kira semula kerugian penurunan nilai hartanah, loji dan peralatan berjumlah RM85,792,000 (2005: RM24,885,000) bagi Kumpulan dan Syarikat)		100,714	35,585	600,362	79,697
Kos pengedaran		(32,931)	(31,742)	(32,931)	(31,739)
Perbelanjaan pentadbiran (termasuk kerugian penurunan nilai hartanah, loji dan peralatan berjumlah RM32,709,000 (2005: RM113,000) dan RM32,534,000 (2005: Sifar) masing-masing bagi Kumpulan dan Syarikat)		(149,726)	(99,489)	(146,340)	(98,325)
Lain-lain perbelanjaan operasi		0	(250)	0	0
Pendapatan kewangan	11	0	153	1,504	1,655
Kos kewangan	11	(10,772)	(12,280)	(10,872)	(12,280)
Bahagian keputusan syarikat-syarikat bersekutu		6,017	6,481	0	0
Keuntungan sebelum cukai	8	37,912	29,307	539,783	65,250
Perbelanjaan cukai	12	(13,351)	(16,903)	(12,878)	(16,685)
Keuntungan bagi tahun kewangan		24,561	12,404	526,905	48,565
Pendapatan sesaham (sen)					
- asas	13	11.31	5.71		
- dicairkan	13	11.31	5.71		

Nota-nota yang disertakan merupakan bahagian penting penyata kewangan ini.

	Nota	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
ASET-ASET BUKAN SEMASA					
Hartanah, loji dan peralatan	14	695,562	678,735	694,961	678,040
Pelaburan hartanah	15	32,544	37,980	7,795	8,015
Bayaran pajakan prabayar		4,718	5,351	2,408	2,923
Anak-anak syarikat	16	0	0	5,107	18,657
Jumlah hutang daripada anak syarikat	31	0	0	30,835	32,383
Syarikat-syarikat bersekutu	17	190,629	184,612	224,188	224,188
Pelaburan-pelaburan lain	18	1,224	2,532	1,193	2,426
Aset-aset cukai tertunda	26	4,927	18,960	3,719	16,597
		<u>929,604</u>	<u>928,170</u>	<u>970,206</u>	<u>983,229</u>
ASET-ASET SEMASA					
Bayaran pajakan prabayar		1,227	1,230	1,186	1,195
Inventori	20	155,116	147,151	155,116	147,145
Dagangan belum terima	21	99,962	113,180	96,968	102,740
Jumlah hutang daripada pihak-pihak berkaitan	31	0	0	1,052	1,731
Sekuriti-sekuriti boleh diniagakan	22	0	590	0	0
Cukai semasa boleh diterima		1,742	6,297	1,735	3,538
Baki-baki di bank dan deposit	23	27,887	13,717	26,975	10,666
		<u>285,934</u>	<u>282,165</u>	<u>283,032</u>	<u>267,015</u>
Aset-aset bukan semasa dipegang untuk dijual	19	7,438	192	10,938	0
		<u>293,372</u>	<u>282,357</u>	<u>293,970</u>	<u>267,015</u>
TOLAK: LIABILITI-LIABILITI SEMASA					
Dagangan belum bayar	24	67,947	64,317	57,281	49,755
Jumlah hutang kepada anak-anak syarikat	31	0	0	12,559	9,499
Pinjaman-pinjaman bank	25	220,000	228,226	220,000	228,226
Liabiliti-liabiliti cukai semasa		2,368	1,684	0	0
		<u>290,315</u>	<u>294,227</u>	<u>289,840</u>	<u>287,480</u>
ASET-ASET/(LIABILITI-LIABILITI) SEMASA BERSIH		<u>3,057</u>	<u>(11,870)</u>	<u>4,130</u>	<u>(20,465)</u>
LIABILITI-LIABILITI BUKAN SEMASA					
Jumlah hutang kepada anak syarikat	31	0	0	0	507,512
Liabiliti-liabiliti cukai tertunda	26	100	914	0	0
		<u>100</u>	<u>914</u>	<u>0</u>	<u>507,512</u>
		<u>932,561</u>	<u>915,386</u>	<u>974,336</u>	<u>455,252</u>

	Nota	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
MODAL DAN RIZAB-RIZAB					
Modal saham	27	217,228	217,228	217,228	217,228
Premium saham		183,082	183,082	183,082	183,082
Rizab penebusan modal		0	42,000	0	0
Rizab-rizab lain		0	(142)	0	0
Rizab tukaran asing		0	(293)	0	0
Keuntungan tertahan	28	532,251	473,511	574,026	54,942
Ekuiti pemegang saham		<u>932,561</u>	<u>915,386</u>	<u>974,336</u>	<u>455,252</u>

Nota-nota yang disertakan merupakan bahagian penting penyata kewangan ini.

**Saham-saham biasa yang diterbitkan
dan dibayar penuh pada
harga RM1.00 setiap satu**

	Jumlah saham '000	Nilai nominal RM'000	Premium saham RM'000	Rizab penebusan modal RM'000	Rizab lain RM'000	Rizab tukaran asing RM'000	Keuntungan tertahan RM'000	Jumlah RM'000
Pada 1 Januari 2006	217,228	217,228	183,082	42,000	(142)	(293)	473,511	915,386
Keuntungan bagi tahun kewangan	0	0	0	0	0	0	24,561	24,561
Dipindah daripada rizab penebusan modal	0	0	0	(42,000)	0	0	42,000	0
Bahagian perbezaan tukaran asing dalam syarikat bersekutu	0	0	0	0	142	293	0	435
Dividen (Nota 37)	0	0	0	0	0	0	(7,821)	(7,821)
Pada 31 Disember 2006	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>532,251</u>	<u>932,561</u>
Pada 1 Januari 2005	217,218	217,218	183,051	42,000	(142)	(145)	468,928	910,910
Saham yang diterbitkan (Nota 27)	10	10	31	0	0	0	0	41
Keuntungan bagi tahun kewangan	0	0	0	0	0	0	12,404	12,404
Bahagian perbezaan tukaran asing dalam syarikat bersekutu	0	0	0	0	0	(148)	0	(148)
Dividen (Nota 37)	0	0	0	0	0	0	(7,821)	(7,821)
Pada 31 Disember 2005	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>42,000</u>	<u>(142)</u>	<u>(293)</u>	<u>473,511</u>	<u>915,386</u>

Nota-nota yang disertakan merupakan bahagian penting penyata kewangan ini..

	Saham-saham biasa yang diterbitkan dan dibayar penuh pada harga RM1.00 setiap satu		Premium saham tidak boleh diagihkan RM'000	Keuntungan tertahan boleh diagihkan RM'000	Jumlah RM'000
	Jumlah saham '000	Nilai nominal RM'000			
Pada 1 Januari 2006	217,228	217,228	183,082	54,942	455,252
Keuntungan bagi tahun kewangan	0	0	0	526,905	526,905
Dividen (Nota 37)	0	0	0	(7,821)	(7,821)
Pada 31 Disember 2006	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>574,026</u>	<u>974,336</u>
Pada 1 Januari 2005	217,218	217,218	183,051	14,198	414,467
Saham yang diterbitkan (Nota 27)	10	10	31	0	41
Keuntungan bagi tahun kewangan	0	0	0	48,565	48,565
Dividen (Nota 37)	0	0	0	(7,821)	(7,821)
Pada 31 Disember 2005	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>54,942</u>	<u>455,252</u>

Nota-nota yang disertakan merupakan bahagian penting penyata kewangan ini.

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
ALIRAN TUNAI DARIPADA AKTIVITI OPERASI				
Keuntungan bagi tahun kewangan	24,561	12,404	526,905	48,565
Penyelarasan bagi:				
Bahagian keputusan dalam syarikat-syarikat bersekutu	(6,017)	(6,481)	0	0
Hartanah, loji dan peralatan:				
- susutnilai	40,559	43,665	40,074	43,140
- dihapus kira	0	124	0	0
- kerugian penurunan nilai	32,709	113	32,534	0
- masuk kira semula kerugian penurunan nilai	(85,792)	(24,885)	(85,792)	(24,885)
- keuntungan daripada pelupusan	(1,878)	(735)	(1,878)	(132)
Pelaburan hartanah:				
- susutnilai	586	642	220	220
- kerugian penurunan nilai	4,897	96	0	0
- keuntungan daripada pelupusan	0	(12)	0	0
Bayaran pajakan prabayar:				
- pelunasan	132	132	98	96
- kerugian penurunan nilai	51	50	49	0
Keuntungan daripada pelupusan pelaburan	(576)	0	(542)	0
Kerugian atas pelupusan sekuriti boleh diniagakan	0	27	0	0
Elaun untuk/(dimasuk kira semula) penurunan nilai:				
- pelaburan-pelaburan lain	(463)	183	(257)	171
- sekuriti-sekuriti boleh diniagakan	0	197	0	0
Keuntungan daripada pelupusan anak syarikat	0	0	(497,871)	0
Kerugian penurunan nilai/(dimasuk kira semula) pelaburan dalam:				
- anak-anak syarikat	0	0	50	196
- syarikat-syarikat bersekutu	0	4,751	0	(41,301)
Elaun untuk/(dimasuk kira semula) hutang ragu:				
- anak-anak syarikat	0	0	4,113	7,614
- syarikat-syarikat bersekutu	0	(7,651)	0	0
- dagangan dan lain-lain belum terima	(193)	(31)	882	1,218
Elaun stok usang dimasuk kira semula	(156)	0	(156)	0
Perbelanjaan faedah	10,493	9,227	10,594	9,227
Pendapatan faedah	0	(153)	(1,504)	(1,655)
Pendapatan dividen	(9)	(7)	(2,677)	(3,729)
Cukai	13,351	16,903	12,878	16,685
	<u>32,255</u>	<u>48,559</u>	<u>37,720</u>	<u>55,430</u>
Perubahan dalam modal kerja:				
Inventori	(7,816)	862	(7,816)	851
Dagangan belum terima	13,411	18,474	4,890	15,947
Dagangan belum bayar	4,065	(7,236)	7,526	(12,714)
Baki-baki antara syarikat	0	7,651	(8,467)	11
	<u>41,915</u>	<u>68,310</u>	<u>33,853</u>	<u>59,525</u>

	Nota	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Cukai dibayar balik, ditolak cukai dibayar		5,114	4,628	1,804	3,192
Faedah dibayar		(10,493)	(9,227)	(10,594)	(9,227)
Faedah diterima		0	153	1,504	1,655
Aliran masuk tunai bersih daripada aktiviti operasi		<u>36,536</u>	<u>63,864</u>	<u>26,567</u>	<u>55,145</u>
ALIRAN TUNAI DARIPADA AKTIVITI PELABURAN					
Dividen diterima		9	7	2,677	3,729
Perolehan daripada:					
- pelupusan bukan aset semasa dipegang untuk dijual		0	900	0	0
- pelupusan hartanah, loji dan peralatan		12,023	1,068	12,023	405
- pelupusan pelaburan hartanah		145	0	0	0
- pelupusan bayaran pajakan prabayar		76	0	0	0
- pelupusan pelaburan-pelaburan lain		2,732	0	2,032	0
- penebusan pelaburan		205	0	0	0
- pelupusan anak syarikat		0	0	10,000	4
Pembelian:					
- hartanah, loji dan peralatan		(21,509)	(10,503)	(20,943)	(9,757)
- pelaburan-pelaburan lain		0	(40)	0	0
Aliran (keluar)/masuk tunai bersih daripada aktiviti pelaburan		<u>(6,319)</u>	<u>(8,568)</u>	<u>5,789</u>	<u>(5,619)</u>
ALIRAN TUNAI DARIPADA AKTIVITI PEMBIAYAAN					
Pembayaran balik pinjaman bank lain		(8,226)	(128,133)	(8,226)	(128,028)
Penggunaan pinjaman bank lain		0	78,000	0	78,000
Pembayaran pendahuluan daripada anak-anak syarikat		0	0	0	50,268
Pembayaran pendahuluan kepada anak syarikat		0	0	0	(43,544)
Saham-saham yang diterbitkan:					
- pelaksanaan opsyen-opsyen saham		0	41	0	41
Dividen dibayar kepada pemegang-pemegang saham		(7,821)	(7,821)	(7,821)	(7,821)
Aliran keluar tunai bersih daripada aktiviti pembiayaan		<u>(16,047)</u>	<u>(57,913)</u>	<u>(16,047)</u>	<u>(51,084)</u>
PENINGKATAN/(PENGURANGAN) BERSIH TUNAI DAN PERSAMAAN TUNAI		14,170	(2,617)	16,309	(1,558)
TUNAI DAN PERSAMAAN TUNAI PADA PERMULAAN TAHUN KEWANGAN		12,717	15,334	9,666	11,224
TUNAI DAN PERSAMAAN TUNAI PADA AKHIR TAHUN KEWANGAN	30	<u>26,887</u>	<u>12,717</u>	<u>25,975</u>	<u>9,666</u>

Nota-nota yang disertakan merupakan bahagian penting penyata kewangan ini.

1 AKTIVITI-AKTIVITI UTAMA DAN MAKLUMAT AM

Aktiviti-aktiviti utama Syarikat terdiri daripada penerbitan dan penjualan akhbar-akhbar dan pemegang pelaburan. Aktiviti-aktiviti utama Kumpulan terdiri daripada penerbitan dan penjualan akhbar dan majalah, penyediaan khidmat editorial, penyediaan perkhidmatan atas talian berdasarkan internet, pengiklanan media dan luaran, perkhidmatan pengurusan hartanah dan mengurus pegangan saham. Tiada perubahan ketara yang berlaku dalam aktiviti-aktiviti biasa semasa tahun kewangan. Aktiviti-aktiviti utama anak-anak syarikat dan syarikat bersekutu adalah seperti disenaraikan dalam Nota 35 kepada penyata kewangan.

Syarikat adalah merupakan syarikat awam liabiliti terhad, diperbadankan dan bermastautin di Malaysia, dan disenaraikan di Papan Utama Bursa Malaysia Securities Berhad ("Bursa Securities").

Pejabat berdaftar dan perniagaan utama Syarikat beralamat di Balai Berita, 31 Jalan Riong, 59100 Kuala Lumpur, Malaysia.

2 ASAS PENYEDIAAN

Penyata kewangan Kumpulan dan Syarikat telah disediakan mengikut konvensyen kos silam melainkan dinyatakan dalam ringkasan dasar-dasar penting perakaunan. Penyata kewangan Kumpulan dan Syarikat telah disediakan mengikut peruntukan-peruntukan di bawah Akta Syarikat, 1965 dan Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Piawaian Perakaunan yang diluluskan dalam Malaysia untuk Entiti-entiti Lain daripada Entiti Persendirian.

Penyediaan penyata kewangan yang mematuhi penggunaan piawai-piawai yang diluluskan oleh MASB Piawaian Perakaunan yang diluluskan dalam Malaysia untuk Entiti-entiti Lain daripada Entiti Persendirian, mengkehendaki penggunaan anggaran dan andaian yang memberi kesan ke atas jumlah aset-aset dan liabiliti-liabiliti yang dilaporkan dan pendedahan aset-aset dan liabiliti-liabiliti luar jangka pada tarikh penyata kewangan, dan jumlah pendapatan dan perbelanjaan yang dilaporkan sepanjang tahun kewangan. Ia juga mengkehendaki Pengarah-pengarah untuk melaksanakan keputusan mereka dalam proses pelaksanaan dasar-dasar perakaunan Kumpulan dan Syarikat. Walaupun anggaran ini berdasarkan pengetahuan terbaik Pengarah-pengarah tentang peristiwa dan tindakan semasa, keputusan sebenar mungkin berbeza.

Bahagian-bahagian yang melibatkan keputusan yang sukar dan rumit atau memerlukan andaian-andaian dan anggaran-anggaran penting dalam penyata-penyata kewangan, di nyatakan di Nota 4.

(a) Piawaian, pindaan pada piawaian yang telah diterbitkan dan interpretasi yang efektif

Piawaian perakaunan baru dan pindaan pada piawaian yang telah diterbitkan, dan Interpretasi IC kepada piawaian sedia ada berkuatkuasa bagi tahun kewangan Kumpulan dan Syarikat bermula pada atau selepas 1 Januari 2006 adalah seperti berikut:

- FRS 1 Pematuhan Kali Pertama Piawaian Laporan Kewangan
- FRS 2 Bayaran Berasaskan Saham
- FRS 3 Kombinasi Perniagaan
- FRS 5 Aset Bukan Semasa Dipegang untuk dijual dan Pembentangan Penamatan Kendalian
- FRS 101 Pembentangan Penyata Kewangan
- FRS 102 Inventori
- FRS 108 Dasar Perakaunan, Perubahan Dalam Anggaran Perakaunan dan Kesilapan
- FRS 110 Peristiwa Selepas Tarikh Kunci Kira-kira
- FRS 116 Hartanah, Loji dan Peralatan
- FRS 121 Kesan Perubahan Kadar Pertukaran Mata Wang Asing
- FRS 127 Penyata Kewangan Disatukan dan Berasingan
- FRS 128 Pelaburan dalam Syarikat-syarikat Bersekutu
- FRS 131 Kepentingan Perkongsian
- FRS 132 Instrumen Kewangan: Pendedahan dan Pembentangan
- FRS 133 Perolehan Sesaham
- FRS 136 Penurunan Nilai Aset
- FRS 138 Aset Tidak Ketara
- FRS 140 Pelaburan Hartanah
- Pindaan pada FRS 119²⁰⁰⁴ Manfaat Pekerja- Keuntungan dan Kerugian Aktuari, Rancangan dan Pendedahan Kumpulan – berhubung ujian "siling aset"
- IC 107 Pengenaln Euro
- IC 110 Bantuan Kerajaan – Tiada Hubungan khas kepada Aktiviti-aktiviti Operasi
- IC 112 Penyatuan – Entiti Tujuan Khas
- IC 113 Entiti Kawalan Bersama – Sumbangan Bukan Monetari dari Perkongsian
- IC 115 Pajakan Operasi – Insentif
- IC 121 Cukai Pendapatan – Tebus semula Aset Tidak Disusutnilai yang Dinilai Semula
- IC 125 Cukai Pendapatan – Pertukaran Status Cukai Entiti atau Pemegang-pemegang Saham
- IC 127 Penilaian Intipati Transaksi Melibatkan Bentuk Perundangan Pajakan
- IC 129 Pendedahan – Penyusunan Khidmat Konsesi
- IC 131 Perolehan – Transaksi Barter Melibatkan Khidmat Pengiklanan
- IC 132 Aset Tidak Ketara – Kos Laman Web

2 ASAS PENYEDIAAN (samb.)**(a) Piawaian, pindaan pada piawaian yang telah diterbitkan dan interpretasi yang efektif (samb.)**

Semua perubahan dalam polisi perakaunan telah dibuat mengikut perubahan peruntukan piawaian, pindaan pada terbitan piawaian dan interpretasi masing-masing. Semua piawaian, pindaan dan interpretasi diterimapai oleh Kumpulan dan Syarikat dikehendaki permohonan retrospektif selain dari:

- FRS 2 – permohonan retrospektif instrumen-instrumen ekuiti diberi selepas 31 Disember 2004 dan tidak diletakkan pada 1 Januari 2006;
- FRS 3 – kombinasi perniagaan yang dijangkakan tarikh perjanjiannya pada atau selepas 1 Januari 2006;
- FRS 5 – aset-aset bukan semasa (atau pelupusan kumpulan) yang memenuhi kriteria untuk diklasifikasikan sebagai pegangan untuk dijual dan operasi yang memenuhi kriteria untuk diklasifikasikan sebagai tidak dilanjutkan yang dijangkakan pada /selepas 1 Januari 2006;
- FRS 116 – dijangkakan pertukaran di dalam hartanah, loji dan peralatan diambil kira pada nilai saksama;
- FRS 121 – dijangkakan dalam pengiraan muhibah dan pembedahan nilai saksama adalah sebahagian dari operasi asing;
- FRS 140 – kesan daripada pematuhan model nilai saksama yang telah dibetulkan pada baki awal pendapatan tertahan untuk tahun kewangan.

Ringkasan dari kesan piawaian perakaunan baru, pindaan pada piawaian terbitan dan interpretasi pada piawaian sedia ada pada penyata kewangan bagi Kumpulan dan Syarikat telah dinyatakan dalam Nota 29 kepada penyata kewangan.

(b) Piawaian diguna pakai awal oleh Kumpulan dan Syarikat

Piawaian baru adalah mandatori bagi tahun kewangan Kumpulan dan Syarikat bermula pada atau selepas 1 Januari 2007 atau tempoh kemudian, di mana Kumpulan dan Syarikat mematuhi piawaian awal seperti berikut:

- FRS 117 Pajakan (berkuatkuasa untuk tempoh perakaunan bermula pada atau selepas 1 Oktober 2006). Piawaian ini memerlukan klasifikasi tanah pegangan pajak sebagai bayaran pajakan prabayar.

(c) Piawaian yang belum berkuatkuasa dan telah tidak diguna pakai dipatuhi sebelumnya

Piawaian baru adalah mandatori bagi tahun kewangan Kumpulan dan Syarikat bermula pada atau selepas 1 Januari 2007 atau tempoh kemudian, tetapi telah tidak diguna pakai awal oleh Kumpulan dan Syarikat adalah seperti berikut:

- FRS 124 Pendedahan Pihak Berkaitan (berkuatkuasa untuk tempoh perakaunan bermula pada atau selepas 1 Oktober 2006). Piawaian ini akan memberi kesan pada identiti pihak berkaitan dan pendedahan sebahagian dari pihak berkaitan lain. Kumpulan dan Syarikat akan menggunakan piawaian ini bagi tahun kewangan bermula 1 Januari 2007.
- FRS 139 Instrumen Kewangan: Pengiktirafan dan Sukatan (tarikh kuat kuasa belum ditentukan oleh Malaysian Accounting Standards Board). Piawaian baru ini diadakan terutamanya untuk mengiktiraf dan menyukat aset-aset kewangan, liabiliti-liabiliti kewangan dan setengah-setengah kontrak untuk membeli dan menjual item-item bukan kewangan. Batas perakaunan hanya dibenarkan dalam keadaan terhad. Kumpulan dan Syarikat akan menggunakan piawaian ini apabila dikuatkuasakan.

(d) Piawaian-piawaian, pindaan-pindaan kepada terbitan piawaian dan interpretasi kepada piawaian sedia ada yang tidak lagi efektif dan berkaitan terhadap operasi Kumpulan

- FRS 6 Penerokaan dan Kajian Sumber Mineral (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Januari 2007). FRS 6 adalah tidak relevan kepada operasi Kumpulan dan Syarikat memandangkan Kumpulan dan Syarikat tidak menjalankan penerokaan dan kajian sumber mineral.
- Pindaan kepada FRS 119²⁰⁰⁴ Manfaat Pekerja – Keuntungan dan Kerugian Aktuari, Perancangan dan Pendedahan Kumpulan (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Januari 2007). Pindaan ini memperkenalkan opsyen kepada kaedah alternatif pengiktirafan keuntungan dan kerugian aktuari. Ia mungkin mengenakan syarat pengiktirafan tambahan bagi perancangan multi-majikan di mana kekurangan maklumat sedia ada untuk mengaplikasikan manfaat perakaunan dikenalpasti. Ia juga menambahkan syarat baru untuk pendedahan. FRS 119²⁰⁰⁴ adalah tidak relevan kepada operasi Kumpulan dan Syarikat memandangkan Kumpulan dan Syarikat tidak mempunyai sebarang manfaat perancangan dikenalpasti.
- Pindaan kepada FRS 121 Kesan Perubahan dalam Kadar Tukaran Asing– Pelaburan Bersih dalam Operasi Asing (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Pindaan ini mensyaratkan perbezaan pertukaran atas item-item monetari yang menghasilkan sebahagian daripada pelaburan bersih dalam operasi asing akan diiktiraf dalam ekuiti bukannya dalam keuntungan atau kerugian tidak kira apa jua matawang yang mana item-item ini dinyatakan. FRS 121 adalah tidak relevan kepada operasi Kumpulan dan Syarikat memandangkan Kumpulan dan Syarikat tidak menjalankan operasi asing.

2 ASAS PENYEDIAAN (samb.)

(d) Piawaian-piawaian, pindaan-pindaan kepada terbitan piawaian dan interpretasi kepada piawaian sedia ada yang tidak lagi efektif dan berkaitan terhadap operasi Kumpulan (samb.)

- Interpretasi IC 8 Skop dari FRS 2 (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Interpretasi ini menjelaskan FRS 2 Pembayaran berasaskan Saham digunakan walau pun ketiadaan barangan dan perkhidmatan khusus yang dikenalpasti. Kumpulan dan Syarikat akan menggunakan Interpretasi IC ini bermula pada tahun kewangan 1 Januari 2008.
- Interpretasi IC 1 Perubahan dalam Pemeliharaan, Pembaikan dan Liabiliti-Liabiliti bersamaan (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007). Interpretasi berurusan dengan perubahan dalam peruntukan masa dan jumlah sumber mengalir keluar disyaratkan untuk melangsaikan obligasi, atau perubahan dalam kadar diskaun.
- Interpretasi IC 2 Saham Keahlian dalam Entiti Koperasi dan Instrumen Bersamaan (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007).
- Interpretasi IC 5 Hak Kepentingan hasil daripada Dana Pemeliharaan, Pembaikan dan Pemuliharaan Alam Sekitar (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007).
- Interpretasi IC 6 Liabiliti-Liabiliti hasil dari Penglibatan dalam Pasaran Khusus – Pembaziran Elektrikal dan Peralatan Elektronik (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007).
- Interpretasi IC 7 Penggunaan Pendekatan Penyataan Semula di bawah FRS 129²⁰⁰⁴ Laporan Kewangan dalam Ekonomi Inflasi Melampau (berkuatkuasa bagi tempoh perakaunan bermula pada atau selepas 1 Julai 2007).

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN

Dasar-dasar perakaunan yang berikut telah digunakan secara konsisten dalam perkara-perkara material dalam penyata kewangan kecuali dinyatakan:

(a) Anak-anak syarikat dan asas penyatuan

Penyata kewangan yang disatukan terdiri daripada penyata kewangan Syarikat dan semua anak-anak syarikatnya yang disediakan hingga ke akhir tahun kewangan. Anak-anak syarikat terdiri daripada syarikat-syarikat di mana Kumpulan mempunyai pengaruh ke atas dasar kewangan dan operasi bagi memperoleh manfaat dari aktiviti mereka, kebiasaannya berserta pegangan saham melebihi dari setengah daripada hak-hak mengundi. Kewujudan dan kesan dari kemungkinan hak-hak mengundi yang kini dijalankan atau boleh tukar akan diambilkira apabila menentukan samada Kumpulan menguasai entiti lain.

Di bawah kaedah perakaunan pembelian, anak-anak syarikat disatukan dari tarikh di mana kawalan dipindahkan kepada Kumpulan dan tidak lagi disatukan dari tarikh kawalan tamat. Kos pengambilalihan dikira mengikut nilai saksama aset tersebut, instrumen ekuiti diterbitkan dan liabiliti digunakan atau diandaikan pada tarikh pertukaran, ditambah kos secara langsung pengambilalihan.

Aset-aset dikenalpasti diambaliali, liabiliti dan liabiliti luar jangka diandaikan dalam perniagaan bergabung adalah diukur pada mulanya mengikut nilai saksama pada tarikh pengambilalihan, tidak ambil kira tahap sebarang kepentingan minoriti. Lebih dari kos pengambilalihan ke atas nilai saksama saham-saham Kumpulan dari aset-aset bersih dikenalpasti yang diambaliali pada tarikh pengambilalihan dipaparkan sebagai muhibah. Rujuk dasar perakaunan Nota 3(c) berkaitan muhibah. Jika kos pengambilalihan kurang daripada nilai saksama aset-aset bersih anak syarikat diambaliali, perbezaan tersebut diiktiraf langsung dalam penyata pendapatan.

Kepentingan minoriti mewakili sebahagian daripada keuntungan atau kerugian dan aset bersih anak syarikat diagihkan kepada kepentingan ekuiti yang tidak dimiliki, langsung atau tidak langsung menerusi anak-anak syarikat, oleh syarikat induk. Lanya diukur pada saham minoriti pada nilai saksama aset-aset dan liabiliti-liabiliti anak syarikat dikenalpasti pada tarikh pengambilalihan dan perubahan saham minoriti dalam ekuiti anak-anak syarikat sejak tarikh tersebut.

Di mana terdapat lebih dari satu pertukaran transaksi terlibat, sebarang pembetulan kepada nilai saksama aset-aset anak-anak syarikat yang dikenalpasti, liabiliti-liabiliti dan liabiliti luar jangka berkaitan dengan pegangan kepentingan sebelum ini oleh Kumpulan diambilkira sebagai penilaian semula.

Transaksi dalam Kumpulan, baki dan keuntungan dan kerugian tidak terealis antara syarikat dalam Kumpulan adalah dihapuskan. Kerugian tidak terealis juga dihapuskan dan dijadikan sebagai petanda penurunan nilai aset dipindahkan. Dasar-dasar perakaunan untuk anak-anak syarikat telah ditukar mengikut kesesuaian bagi memastikan ianya konsisten dengan dasar-dasar diguna pakai oleh Kumpulan.

Untung atau rugi ke atas pelupusan anak syarikat adalah perbezaan antara perolehan bersih pelupusan dan bahagian aset bersih Kumpulan pada tarikh pelupusan termasuklah jumlah terkumpul sebarang perbezaan pertukaran yang berkaitan dengan anak syarikat, dan diiktiraf dalam penyata pendapatan yang disatukan.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(b) Syarikat-syarikat bersekutu

Syarikat bersekutu adalah merupakan perbadanan, perkongsian atau entiti lain di mana Kumpulan mempunyai pengaruh, tetapi tiada hak untuk mengawal, kebiasaannya berserta dengan pegangan saham di antara 20% dan 50% dari hak-hak mengundi. Pengaruh besar adalah kuasa untuk membuat keputusan dalam dasar kewangan dan operasi syarikat bersekutu tetapi bukannya kuasa untuk mengawal polisi tersebut.

Pelaburan dalam syarikat bersekutu dikira mengikut kaedah perakaunan ekuiti dan pada awalnya diiktiraf pada kos. Pelaburan Kumpulan dalam syarikat bersekutu mengandungi muhibah dikenalpasti atas pengambilalihan, bersih dari kerugian penurunan nilai terkumpul (rujuk Nota 3(h)).

Bahagian Kumpulan dalam keuntungan atau kerugian selepas pengambilalihan syarikat bersekutu adalah diiktiraf dalam penyata pendapatan, dan bahagian perubahan dalam rizab selepas pengambilalihan adalah diiktiraf dalam rizab. Perubahan terkumpul selepas pengambilalihan adalah diselaras dengan nilai bawa pelaburan. Apabila bahagian kerugian Kumpulan dalam syarikat bersekutu bersamaan atau melebihi dari kepentingannya dalam syarikat bersekutu, mengandungi sebarang dagangan lain belum terima tidak bercagar, kepentingan Kumpulan telah menurun kepada sifar dan pengiktirafan kerugian dihentikan kecuali sehingga Kumpulan telah mengambil tanggungjawab perundangan atau konstruktif atau membuat bayaran bagi pihak syarikat bersekutu.

Keuntungan belum terealis atas transaksi di antara Kumpulan dan syarikat bersekutunya adalah dihapuskan sehingga kepentingan Kumpulan dalam syarikat bersekutu; kerugian belum terealis juga dihapuskan kecuali transaksi menunjukkan bukti penurunan nilai ke atas aset dipindahkan. Di mana perlu, dalam menggunakan kaedah ekuiti, pindaan dibuat kepada penyata kewangan syarikat bersekutu bagi memastikan dasar perakaunan yang sama dengan Kumpulan.

Keuntungan dan kerugian dicairkan dan kerugian dalam syarikat bersekutu adalah diiktiraf dalam penyata pendapatan.

Untuk peningkatan kepentingan dalam syarikat bersekutu, tarikh pengambilalihan adalah tarikh pembelian pada setiap tahap dan muhibah dikira pada setiap tarikh pembelian berdasarkan nilai saksama aset dan liabiliti dikenalpasti. Tiada "penambahan kepada nilai saksama" dari aset bersih dari sebarang pengambilalihan saham sebelum ini dan bahagian keuntungan dan pergerakan ekuiti untuk pengambilalihan saham sebelum ini direkodkan langsung menerusi ekuiti.

(c) Muhibah

Muhibah adalah lebihan atau defisit daripada kos pengambilalihan anak syarikat dan syarikat bersekutu yang diambil alih ke atas bahagian Kumpulan daripada nilai saksama aset bersih yang boleh dikenalpasti pada tarikh pengambilalihan.

Muhibah sebelum ini dihapus kira dengan keuntungan tertahan Kumpulan. Dengan pematuhan FRS 138 - Aset tidak ketara, muhibah dimodalkan dan dibawa pada kos tolak kerugian penurunan nilai terkumpul. Muhibah diuji secara tahunan untuk penurunan nilai, dan apabila tiada tanda penurunan nilai. Tiada pembalikan atas kerugian penurunan nilai muhibah. Keuntungan dan kerugian atas pelupusan entiti termasuk nilai bawa muhibah berkaitan entiti telah dijual. Rujuk dasar perakaunan Nota 3(h) berkenaan penurunan nilai aset.

Muhibah dibahagikan kepada unit penghasilan-tunai bagi kegunaan ujian penurunan nilai. Pembahagian dibuat kepada unit penghasilan-tunai atau sekumpulan unit penghasilan-tunai yang akan memperolehi manfaat daripada sinergi hasil dari pergabungan perniagaan di mana muhibah terhasil.

(d) Penyelidikan dan pembangunan

Kos penyelidikan dan pembangunan dikenakan kepada penyata pendapatan di dalam tahun ianya terjadi. Kos pembangunan tahun lalu diiktiraf sebagai perbelanjaan tapi tidak diiktiraf sebagai aset dalam tahun kewangan selepasnya. Kos pembangunan dipermodalkan direkodkan sebagai aset tidak ketara dan dilunaskan sejak ianya sedia digunakan mengikut asas garis lurus mengikut jangka hayat tidak melebihi lima tahun.

Aset pembangunan diuji untuk penurunan nilai secara tahunan mengikut pematuhan dengan FRS 136.

(e) Hartanah, loji dan peralatan

Hartanah, loji dan peralatan dinyatakan dalam kos tolak susutnilai terkumpul dan kerugian penurunan nilai terkumpul. Kos termasuk perbelanjaan yang secara langsung disebabkan daripada pengambilalihan perkara tersebut.

Kos yang berikut dimasukkan dalam nilai bawa aset atau diiktiraf sebagai aset berasingan, mengikut kesesuaian, hanya apabila terdapat kemungkinan terjadi manfaat ekonomi akan datang berhubung dengan perkara tersebut akan mengalir ke Kumpulan dan Syarikat, dan kos perkara tersebut boleh diukur secara jujur. Nilai bawa komponen gantian tidak diiktiraf. Semua pembaikan dan penyelenggaraan dikenakan kepada penyata pendapatan sepanjang tahun kewangan di mana ianya terjadi.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(e) Hartanah, loji dan peralatan (samb.)

Tanah pegangan bebas tidak disusutnilai sebagaimana ianya tiada tempoh tamat hayat. Hartanah, loji dan peralatan lain disusutnilaikan mengikut asas garis lurus bagi menghapus-kira kos aset, atau nilai penilaian semula, kepada nilai sisa ke atas tempoh anggaran hayat, diringkaskan seperti berikut :

- Bangunan - 40 hingga 50 tahun
- Loji dan jentera - 5 hingga 25 tahun
- Kenderaan bermotor - 5 tahun
- Perabot, komputer dan peralatan - 3 hingga 10 tahun

Nilai sisa dan tempoh hayat aset adalah dikaji, dan diubah jika sesuai, pada tarikh kunci kira-kira. Kumpulan menyemak nilai sisa bangunan tertentu pada tarikh kunci kira-kira. Penyemakan telah mengambilkira perubahan dalam anggaran perakaunan dan hasilnya, susutnilai dikenakan untuk tahun kewangan semasa dan akan datang akan menurun sebanyak RM1,322,000 secara tahunan. Kumpulan juga menyemak nilai sisa dan tempoh hayat program komputer tertentu dan kenderaan bermotor sepanjang tahun kewangan. Penyemakan telah mengambilkira sebarang perubahan dalam anggaran perakaunan dan hasilnya, susutnilai dikenakan untuk tahun kewangan semasa dan akan datang akan menurun sebanyak RM531,000 secara tahunan.

Pada tarikh kunci kira-kira, Kumpulan menilai samada terdapat petanda penurunan nilai. Jika wujud sebarang petanda, suatu analisa akan dilakukan bagi menilai samada nilai bawa aset boleh ditebus semula sepenuhnya. Suatu penilaian ke bawah dibuat jika nilai bawa melebihi nilai tebus semula. Rujuk dasar perakaunan Nota 3(h) berkaitan penurunan nilai aset.

Keuntungan dan kerugian atas pelupusan ditentukan melalui perbandingan penerimaan dari jualan dengan nilai bawa dan dimasukkan dalam penyata pendapatan.

(f) Pelaburan Hartanah

Pelaburan hartanah, meliputi terutamanya tanah dan bangunan pejabat, dipegang untuk hasil sewa jangka panjang atau untuk penilaian modal atau kedua-duanya, dan tidak digunakan oleh Kumpulan.

Pelaburan hartanah dinyatakan pada kos ditolak sebarang susutnilai terkumpul dan kerugian penurunan nilai. Pelaburan hartanah disusutnilai mengikut asas garis lurus untuk menghapuskan kos aset kepada nilai sisa mengikut anggaran tempoh hayat dari 50 hingga 99 tahun.

Dalam pelupusan sesuatu pelaburan hartanah, atau apabila ianya ditarik balik terus penggunaannya dan tiada manfaat ekonomi akan datang dijangkakan daripada pelupusan itu, ianya tidak akan diiktiraf (dihapuskan dari kunci kira-kira). Perbezaan di antara penerimaan bersih dari pelupusan dan nilai dibawa diiktiraf dalam keuntungan atau kerugian dalam tempoh persaraan atau pelupusan.

(g) Pelaburan-pelaburan

Pelaburan-pelaburan dalam anak syarikat dan syarikat bersekutu dinyatakan pada kos. Di mana terdapat penurunan nilai berlaku, nilai bawa pelaburan tersebut akan ditaksirkan dan diturunkan nilai serta merta kepada nilai pemulihannya. Lihat Nota 3(h) dasar perakaunan tentang penurunan nilai aset.

Pelaburan-pelaburan yang tersenarai yang dipegang untuk jangka masa panjang, dinyatakan pada mana yang lebih rendah antara kos dan nilai pasaran, ditentukan pada kadar agregat bagi setiap kategori pelaburan-pelaburan, kecuali jika penurunan nilai dalam sesuatu pelaburan itu tidak dianggap sementara, elaun spesifik akan dibuat terhadap nilai pelaburan itu.

Sekuriti yang boleh dipasarkan dinyatakan pada nilai terendah antara kos dan nilai pasaran, ditentukan ke atas asas portfolio dengan perbandingan di antara kos agregat dan nilai pasaran agregat. Kos ditentukan berdasarkan asas kos purata berwajaran. Nilai pasaran dikira dengan merujuk kepada harga jualan tersenarai di bursa saham pada penutup perniagaan pada tarikh kunci kira-kira. Peningkatan/pengurangan dalam jumlah dibawa sekuriti yang boleh diniagakan adalah dikredit atau caj kepada penyata pendapatan.

Pelaburan-pelaburan yang tidak tersenarai dan pelaburan-pelaburan lain dinyatakan pada kos dan elaun untuk sebarang penurunan tetap dalam nilai dibuat, sekiranya pada pendapat Pengarah-pengarah, terdapat kejatuhan yang bukan sementara pada nilai pelaburan tersebut. Kejatuhan nilai yang sedemikian dianggap sebagai perbelanjaan di dalam tahun kewangan di mana penurunan itu dikenalpasti.

Bagi pelupusan pelaburan pula, perbezaan di antara perolehan bersih dari pelupusan dan nilai bawa adalah dicaj/kredit kepada penyata pendapatan.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(h) Penurunan nilai aset

Aset yang mempunyai tempoh hayat tidak menentu tidak tertakluk kepada pelunasan dan diuji secara tahunan untuk penurunan nilai. Aset yang tertakluk kepada pelunasan dikaji untuk penurunan nilai apabila berlaku kejadian atau perubahan dalam keadaan menandakan nilai dibawa mungkin tidak dapat tebus semula. Kerugian penurunan nilai diiktiraf bagi jumlah yang mana nilai bawa aset melebihi nilai ditebus semula. Nilai ditebus semula adalah nilai saksama tertinggi aset ditolak kos untuk menjual dan nilai dalam kegunaan. Bagi tujuan menaksirkan nilai penurunan, aset akan dikumpulkan pada tahap terendah dimana terdapat aliran tunai dikenalpasti yang berasingan (unit-unit menghasilkan tunai). Aset bukan-kewangan selain dari muhibah yang telah mengalami penurunan nilai adalah dikaji untuk kemungkinan penarikbalikan penurunan nilai pada tarikh setiap laporan.

(i) Pajakan

Pajakan aset di mana semua risiko dan manfaat hakmilik adalah dipegang oleh pemajak diklasifikasikan sebagai pajakan operasi. Bayaran dibuat di bawah pajakan operasi adalah dicajkan kepada penyata pendapatan mengikut asas garis lurus mengikut tempoh pajakan.

Apabila pajakan operasi ditamatkan sebelum tempoh pajakan berakhir, sebarang bayaran yang mesti dibuat kepada pemajak dalam bentuk penalti adalah diiktiraf sebagai perbelanjaan dalam tempoh di mana penamatan berlaku.

(j) Inventori

Inventori adalah dinyatakan pada yang terendah antara kos dan nilai bersih yang boleh diperolehi. Kos merangkumi tenaga buruh langsung, bahan-bahan, kos sub-kontrak dan lain-lain perbelanjaan berkaitan dan lazimnya ditentukan mengikut dasar purata wajar. Kos yang berkaitan dengan sistem kerja yang masih dijalankan termasuk kos tenaga buruh langsung, peralatan pemrosesan dan perbelanjaan berkaitan.

Nilai bersih terealis adalah harga jualan dijangka dalam perjalanan biasa perniagaan, ditolak kos untuk disiapkan dan pelbagai perbelanjaan jualan berkaitan.

(k) Dagangan belum terima

Dagangan belum terima dibawa pada nilai jangkaan terealis. Anggaran dibuat untuk hutang ragu berdasarkan penilaian semula ke atas jumlah belum jelas pada akhir tahun kewangan. Hutang lapuk dihapuskan sepanjang tahun di mana ianya dikenalpasti.

(l) Tunai dan persamaan tunai

Untuk tujuan penyata aliran tunai, tunai dan persamaan tunai merangkumi tunai dalam tangan, baki di bank, deposit permintaan, overdraf bank dan pelaburan jangka pendek dan mudah cair dengan kematangan asal tiga bulan atau kurang. Overdraf bank adalah termasuk di dalam pinjaman di dalam liabiliti semasa kunci kira-kira.

(m) Pinjaman-pinjaman**Klasifikasi**

Pinjaman pada mulanya diiktirafkan berdasarkan jumlah yang diterima, ditolak kos urus niaga yang terlibat. Bagi tempoh berikutnya, pinjaman dinyatakan pada kos yang dilunaskan menggunakan kaedah hasil efektif; sebarang perbezaan di antara jumlah yang diterima (ditolak kos urus niaga) dan nilai penebusan diiktiraf di dalam penyata pendapatan di sepanjang tempoh pinjaman tersebut.

Mempermodalkan kos pinjaman

Kos pinjaman bagi membiayai pembinaan hartanah, loji dan peralatan adalah dipermodalkan sebagai sebahagian daripada kos aset bagi tempoh masa yang diperlukan untuk menyiapkan dan menyediakan aset untuk kegunaan yang dimaksudkan. Kos pinjaman yang lain adalah dibelanjakan.

Pinjaman diklasifikasikan sebagai liabiliti semasa melainkan Kumpulan mempunyai hak tidak bersyarat untuk menaguhkannya pelangsaan liabiliti sekurang-kurangnya 12 bulan selepas tarikh kunci kira-kira.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(n) **Cukai Pendapatan**

Perbelanjaan cukai semasa ditentukan mengikut undang-undang percukaian di kawasan di mana Kumpulan beroperasi dan termasuk semua cukai yang berdasarkan keuntungan yang boleh dikenakan cukai, termasuk cukai boleh bayar keuntungan hartanah nyata ke atas pelupusan hartanah.

Cukai tertunda diiktiraf sepenuhnya, menggunakan kaedah liabiliti, bagi perbezaan sementara yang timbul di antara jumlah yang berpunca dari aset dan liabiliti bagi tujuan percukaian dan nilai yang dibawa di dalam penyata-penyata kewangan. Walau bagaimanapun, cukai tertunda tidak diambil kira jika ianya hasil dari pengiktirafan awal aset atau liabiliti dalam transaksi lain daripada perniagaan gabungan yang pada waktu itu tiada kesan transaksi samada akaun atau cukai keuntungan atau kerugian.

Aset cukai tertunda diiktiraf hanyalah sehingga adanya kemungkinan yang keuntungan boleh cukai akan dihasilkan yang darinya perbezaan sementara yang boleh ditolak atau kerugian-kerugian cukai yang tidak terpakai boleh digunakan.

Cukai tertunda diiktiraf atas perbezaan sementara terhasil daripada pelaburan dalam anak-anak syarikat dan syarikat bersekutu kecuali di mana tempoh pembalikan perbezaan sementara boleh dikawal dan berkemungkinan perbezaan sementara tidak akan berbalik di masa akan datang.

Cukai tertunda ditentukan mengikut kadar cukai (dan undang-undang cukai) yang diwartakan atau sebahagian besar telah diwartakan pada tarikh kunci kira-kira dan dijangkakan digunakan bila aset cukai tertunda berkaitan direalis atau liabiliti cukai tertunda dilangsaikan.

(o) **Peruntukan-peruntukan**

Peruntukan-peruntukan diiktiraf apabila Kumpulan dan Syarikat mempunyai tanggungjawab undang-undang semasa atau konstruktif yang berikutan daripada peristiwa-peristiwa terdahulu dan bila kemungkinan bahawa sumber-sumber aliran keluar adalah diperlukan untuk menyelesaikan kewajipan, dan bila jumlah anggaran yang boleh diandaikan boleh dibuat. Di mana Kumpulan dan Syarikat menjangkakan peruntukan yang boleh dibayar semula, pembayaran semula diiktiraf sebagai aset berasingan tetapi hanya bila pembayaran semula adalah dipastikan secara nyata. Peruntukan-peruntukan tidak diiktiraf untuk pajakan operasi masa hadapan.

Di mana terdapat banyak tanggungjawab yang serupa, persamaannya adalah aliran keluar diperlukan dalam penyelesaian yang ditentukan dengan mempertimbangkan jenis tanggungjawab itu secara keseluruhannya. Peruntukan adalah diiktiraf walaupun persamaan aliran keluar yang berkaitan termasuk dalam jenis tanggungjawab yang sama itu berkemungkinan adalah kecil.

Peruntukan-peruntukan adalah diukur pada nilai semasa perbelanjaan yang dijangka diperlukan untuk memenuhi tanggungjawab menggunakan kadar sebelum cukai yang mempengaruhi nilai masa dalam penilaian pasaran semasa dan risiko khusus kepada tanggungjawab itu. Kenaikan dalam peruntukan akibat perjalanan masa diiktiraf sebagai perbelanjaan faedah.

(p) **Liabiliti dan aset luar jangkaan**

Kumpulan dan Syarikat tidak mengiktiraf liabiliti luar jangkaan tetapi mendedahkan kewujudannya di dalam penyata-penyata kewangan. Liabiliti luar jangkaan adalah tanggungjawab yang mungkin timbul hasil daripada peristiwa di masa lalu di mana kewujudannya akan disahkan oleh peristiwa di masa hadapan yang tidak menentu yang berada di luar kawalan Kumpulan dan Syarikat atau tanggungjawab semasa yang tidak diiktiraf kerana tiadanya kemungkinan bahawa aliran keluar sumber akan diperlukan untuk menyelesaikan tanggungjawab tersebut. Liabiliti luar jangkaan juga timbul di dalam keadaan yang paling jarang berlaku di mana terdapat liabiliti yang tidak dapat diiktiraf kerana ianya tidak dapat diukur secara yang sah.

Aset luar jangkaan adalah aset yang mungkin terhasil daripada peristiwa masa lalu di mana kewujudannya akan disahkan oleh peristiwa masa hadapan yang tidak menentu yang berada di luar kawalan Kumpulan dan Syarikat. Kumpulan dan Syarikat tidak mengiktiraf aset luar jangka tetapi mendedahkan kewujudannya di mana aliran masuk manfaat ekonomi adalah berkemungkinan, tetapi tiada kepastian.

Dalam pengambilalihan anak-anak syarikat oleh Kumpulan di bawah gabungan perniagaan, anggaran liabiliti luar jangkaan adalah pada mulanya diukur pada nilai saksama pada tarikh pengambilalihan, tanpa mengambilkira apa-apa kepentingan minoriti.

Kumpulan mengiktiraf secara berasingan liabiliti luar jangkaan syarikat yang diambilalih sebagai sebahagian dari memperuntukkan kos gabungan perniagaan di mana nilai saksama mereka boleh diukur secara pasti. Di mana nilai saksama tidak dapat diukur secara pasti, hasilnya akan dimasukkan dalam muhibah yang terhasil daripada pengambilalihan.

Selepas pengiktirafan permulaan, Kumpulan mengukur liabiliti luar jangkaan yang diiktiraf berasingan pada tarikh pengambilalihan pada jumlah yang lebih tinggi yang boleh diiktiraf berdasarkan peruntukan FRS 137²⁰⁰⁴ dan jumlah yang diiktiraf kurang pada mulanya, jika bersesuaian, peluasan terkumpul diiktiraf berdasarkan FRS 118²⁰⁰⁴.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(q) Pengiktirafan pendapatan

Pendapatan daripada jualan barangan dikira pada nilai saksama bagi pembayaran yang diterima atau boleh diterima, dalam aktiviti biasa Kumpulan. Pendapatan memaparkan jumlah bersih pulangan, rebet dan diskaun dan setelah jualan dalam Kumpulan dihapuskan.

Kumpulan mengiktiraf pendapatan bila mana jumlahnya boleh dinilai secara pasti yang memungkinkan faedah-faedah ekonomi masa hadapan akan mempengaruhi entiti dan kriteria tertentu tercapai bagi setiap aktiviti-aktiviti Kumpulan seperti diterangkan di bawah. Jumlah pendapatan tidak dapat dinilai secara pasti sehingga semua jangkaan berkaitan jualan diputuskan. Kumpulan membuat anggaran berdasarkan keputusan yang telah berlaku dengan mengambilkira jenis pelanggan, jenis transaksi dan keperincian setiap aturan.

(a) Perkhidmatan dan jualan barangan

Pendapatan daripada perkhidmatan dan jualan barangan Kumpulan selepas diskaun dagangan dan pulangan diiktiraf setelah selesai penghantaran.

Pendapatan daripada pengiklanan diiktiraf apabila iklan telah diterbitkan atau disiarkan.

(b) Pendapatan faedah

Pendapatan faedah diiktiraf berasaskan pembahagian masa, mengambilkira wang pokok yang masih terhutang dan kadar efektif menjangkau tempoh matang, apabila ianya ditentukan yang pendapatan faedah akan dibayar kepada Kumpulan.

(c) Pendapatan sewaan

Pendapatan sewaan dan perkhidmatan berkaitan sewaan diiktiraf apabila perkhidmatan telah dilaksanakan.

(d) Pendapatan dividen

Pendapatan dividen dari pelaburan-pelaburan dalam anak-anak syarikat, syarikat-syarikat bersekutu dan lain-lain pelaburan diiktiraf apabila hak Kumpulan dan Syarikat untuk menerima bayaran telah ditentukan.

(r) Manfaat pekerja**(i) Manfaat jangka pendek pekerja**

Kumpulan mengiktiraf liabiliti dan perbelanjaan bonus dan perkongsian keuntungan berdasarkan formula yang mengambilkira keuntungan yang boleh diagihkan kepada pemegang-pemegang saham selepas beberapa pelarasan. Kumpulan mengiktiraf peruntukan jika ada kewajipan perundangan atau adanya amalan terdahulu yang boleh mencetuskan kewajipan konstruktif.

Upah, gaji, cuti tahunan yang berbayar dan bonus diakru dalam tahun kewangan di mana perkhidmatan berkaitan dibekalkan oleh para pekerja.

(ii) Manfaat selepas tempoh pekerjaan - Pelan sumbangan ditetapkan

Sumbangan kepada Kumpulan Wang Simpanan Pekerja, pelan sumbangan nasional ditetapkan, dicajkan kepada penyata pendapatan dalam tahun kewangan yang mana ianya berkaitan. Setelah sumbangan dibayar, Kumpulan dan Syarikat tiada lagi tanggungjawab membuat pembayaran. Sumbangan terlebih bayar akan diiktiraf sebagai aset tertakluk jika adanya pengembalian tunai atau pengurangan pada bayaran akan datang.

(iii) Manfaat pemberhentian

Manfaat pemberhentian akan dibayar bilamana pekerjaan seseorang pekerja itu tamat sebelum persaraan biasa atau bilamana seseorang pekerja itu menerima pemisahan sukarela sebagai tawaran kepada manfaat berkenaan. Kumpulan mengiktiraf manfaat pemberhentian bila ianya komited samada menamatkan pekerjaan pekerja-pekerja yang sedia ada berdasarkan pelan rasmi terperinci tanpa adanya kemungkinan pengguguran atau menyediakan faedah-faedah pemberhentian akibat dari tawaran yang dibuat untuk menggalakkan pemisahan sukarela.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(r) **Manfaat pekerja (samb.)**

(iv) **Ganti rugi berasaskan saham**

Kumpulan mengadakan pelan ganti rugi berasaskan-saham penyelesaian-ekuiti untuk pekerja. Pemberian saham berdasarkan perkhidmatan pekerja diiktiraf sebagai perbelanjaan dalam penyata pendapatan selama tempoh letakhak pemberian selaras dengan kenaikan ekuiti.

Jumlah yang akan dibelanjakan selama tempoh letakhak ditentukan dengan merujuk kepada nilai saksama opsyen saham yang diberikan, pengecualian kepada apa-apa kesan keadaan luar pasaran (sebagai contoh, keuntungan dan sasaran pertumbuhan jualan). Keadaan luar pasaran termasuk dalam andaian berkaitan bilangan opsyen saham yang dijangkakan diletakhak. Pada setiap tarikh kunci kira-kira, Kumpulan mengkaji anggaran bilangan opsyen saham yang dijangkakan diletakhak. Kumpulan mengiktiraf kesan kajian ke atas anggaran asal dalam penyata pendapatan selaras dengan pelarasan ekuiti. Jumlah yang diterima bersih setelah ditolak kos transaksi berkaitan akan dikreditkan ke modal saham (nilai nominal) dan premium saham bilamana opsyen itu dilaksanakan.

Kumpulan mengambil peluang atas peralihan peruntukan FRS 2 berkaitan pemberian instrumen ekuiti selepas 31 Disember 2004 dan tidak diletakhak pada 1 Januari 2006, dan dengan itu tidak mengiktiraf sebarang perbelanjaan dalam tahun kewangan semasa.

(s) **Mata wang asing**

(a) **Mata wang fungsi dan pembentangan**

Item dalam penyata kewangan setiap entiti Kumpulan dikira menggunakan mata wang persekitaran ekonomi utama di mana entiti beroperasi ("mata wang fungsi"). Penyata kewangan adalah dinyatakan dalam Ringgit Malaysia yang merupakan mata wang fungsi dan pembentangan Syarikat.

(b) **Urus niaga dan baki mata wang asing**

Urus niaga mata wang asing dinyatakan kepada mata wang fungsi menggunakan kadar pertukaran yang berkuatkuasa pada tarikh urus niaga. Keuntungan dan kerugian hasil daripada perbezaan pertukaran akibat daripada penyelesaian urus niaga mata wang asing dan daripada pertukaran aset dan liabiliti mata wang asing diiktiraf dalam penyata pendapatan.

(t) **Instrumen kewangan**

Deskripsi

Instrumen kewangan adalah sebarang kontrak yang mewujudkan aset kewangan bagi satu perniagaan dan liabiliti kewangan atau instrumen ekuiti bagi satu perniagaan yang lain.

Aset kewangan adalah sebarang aset berbentuk tunai, hak yang diikat secara kontrak untuk menerima tunai atau aset kewangan lain dari perniagaan lain, hak yang diikat secara kontrak untuk menukar instrumen kewangan dengan perniagaan lain dalam keadaan yang dijangka menguntungkan, atau instrumen ekuiti dari perniagaan lain.

Liabiliti kewangan adalah sebarang liabiliti yang mempunyai satu tanggungjawab kontrak untuk memberi tunai atau aset kewangan kepada perniagaan lain, atau untuk menukar instrumen-instrumen kewangan dengan perniagaan lain dalam keadaan yang dijangka tidak menguntungkan.

Kaedah pengiktirafan

Kaedah pengiktirafan tertentu yang digunakan untuk instrumen kewangan diiktiraf di dalam kunci kira-kira didedahkan dalam setiap nota dasar perakaunan yang terlibat.

Anggaran nilai saksama bagi tujuan pendedahan

Nilai saksama bagi sekuriti yang diniagakan secara awam adalah berdasarkan kepada harga pasaran yang tersenarai pada tarikh kunci kira-kira.

Nilai dibawa aset-aset kewangan (ditolak sebarang pelarasan kredit yang dianggarkan) dan liabiliti-liabiliti kewangan dengan tempoh matang kurang dari satu tahun dianggap menghampiri nilai saksama mereka.

3 RINGKASAN DASAR-DASAR PENTING PERAKAUNAN (samb.)

(u) Laporan segmen

Laporan segmen diadakan untuk meningkatkan penilaian risiko dan pulangan Kumpulan. Segmen-segmen perniagaan menyediakan produk dan perkhidmatan yang bergantung kepada risiko dan pulangan yang berbeza daripada segmen-segmen perniagaan yang lain. Segmen-segmen geografi menyediakan produk atau perkhidmatan dalam persekitaran ekonomi tertentu yang bergantung kepada risiko dan pulangan yang berbeza daripada komponen-komponen yang beroperasi dalam persekitaran ekonomi yang lain.

Segmen pendapatan, perbelanjaan, aset-aset dan liabiliti-liabiliti adalah jumlah yang terhasil daripada aktiviti operasi sesuatu segmen yang disumbangkan secara langsung kepada segmen tersebut dan bahagian berkaitan yang boleh diperuntukkan dengan asas yang munasabah kepada segmen tersebut. Segmen pendapatan, perbelanjaan, aset-aset dan liabiliti-liabiliti adalah dianggarkan sebelum baki antara kumpulan dan urus niaga antara kumpulan dihapuskan sebagai sebahagian daripada proses penyatuan, kecuali kepada had di mana baki dan urus niaga antara kumpulan tersebut adalah di antara Kumpulan dalam satu segmen.

(v) Aset-aset bukan semasa (atau kumpulan penghapusan) yang diklasifikasikan sebagai dipegang untuk dijual

Aset-aset bukan semasa (atau kumpulan penghapusan) diklasifikasikan sebagai aset-aset yang dipegang untuk jualan dan dinyatakan pada mana yang lebih rendah antara nilai dibawa dan nilai saksama dan ditolak kos untuk jualan jika nilai dibawa ditebus semula terutamanya melalui transaksi jualan melebihi melalui penggunaan berterusan.

(w) Perbelanjaan prabayar

Perbelanjaan prabayar adalah berkaitan prabayar bayaran pajakan yang dicajkan kepada penyata pendapatan berdasarkan kaedah garis lurus sepanjang tempoh pajakan tersebut dari 40 dan 96 tahun.

4 PENENTUAN DAN ANGGARAN PERAKAUNAN KRITIKAL

Penentuan dan anggaran dinilai berterusan berdasarkan pengalaman lepas dan lain-lain faktor termasuk jangkaan sesuatu yang berlaku pada masa hadapan serta munasabah dalam keadaan tertentu.

Anggaran dan perhubungan perakaunan kritikal

Kumpulan membuat anggaran dan andaian tentang masa hadapan. Anggaran perakaunan yang dicapai pada definisinya tidak selalu sama dengan keputusan sebenar. Untuk membangunkan kandungan maklumat anggaran tersebut, faktor pembolehubah tertentu yang dijangka mempunyai impak material kepada kedudukan kewangan dan keputusan Kumpulan akan diuji sensitivitinya terhadap perubahan dalam parameter asasnya. Anggaran dan andaian yang berisiko penting dalam menyebabkan pelarasan material terhadap nilai dibawa aset dan liabiliti pada tahun kewangan berikut adalah digariskan seperti di bawah:

(a) Anggaran pembalikan penurunan nilai loji-loji percetakan daerah

Kumpulan dan Syarikat menguji penurunan nilai ke atas loji-loji percetakan daerah ("LPD") setiap tahun berdasarkan dasar perakaunannya. Kajian-kajian yang lebih banyak akan diadakan jika keadaan memerlukan. Jumlah tebus semula LPD ditentukan berasaskan kepada nilai yang digunakan. Pengiraan memerlukan anggaran penggunaan seperti yang dinyatakan dalam Nota 6 kepada penyata-penyata kewangan.

Jika anggaran tukaran mata wang asing digunakan untuk tujuan penilaian penurunan nilai LPD adalah 1% lebih tinggi daripada anggaran pihak pengurusan (sebagai contoh, USD1:RM3.54, berbanding USD1:3.50 pada 2007 dan USD1:RM3.45 dalam tahun-tahun kewangan berikutnya), kemasukan kira kerugian penurunan nilai LPD akan dikurangkan sebanyak RM45 juta.

Jika anggaran kadar diskaun sebelum cukai digunakan kepada aliran tunai diskaun sebanyak 10% lebih tinggi daripada anggaran pihak pengurusan (sebagai contoh, 11.70%, berbanding 10.64%), kemasukan kira kerugian penurunan nilai LPD akan dikurangkan sebanyak RM24 juta.

(b) Aset cukai tertunda

Aset cukai tertunda diiktiraf ke tahap di mana adanya kemungkinan keuntungan boleh dicukai pada masa hadapan terhasil berbanding di mana perbezaan sementara boleh digunakan. Ini melibatkan penentuan berkenaan prestasi kewangan pada masa hadapan sesuatu entiti tertentu yang mana cukai aset tertunda itu diiktiraf.

4 **PENENTUAN DAN ANGGARAN PERAKAUNAN KRITIKAL (samb.)**

(c) **Anggaran cukai pendapatan**

Cukai pendapatan dianggarkan berdasarkan peraturan di bawah Akta Cukai Pendapatan, 1967. Penentuan penting adalah diperlukan untuk menentukan elaun modal dan pengurangan perbelanjaan tertentu semasa anggaran peruntukan cukai pendapatan. Banyak transaksi dan pengiraan di mana penentuan cukai mutlak tidak dapat ditentukan dalam perjalanan biasa perniagaan.

Jika keputusan akhir cukai berkaitan perkara tersebut berbeza daripada jumlah yang pada mulanya dikenalpasti, perbezaan-perbezaan ini akan memberi kesan kepada cukai pendapatan dan peruntukan cukai tertunda dalam tempoh di mana penentuan telah dibuat.

(d) **Penilaian penurunan nilai pelaburan-pelaburan**

Pertimbangan tertentu dalam menilai parameter ketidaktentuan pada masa hadapan seperti pertumbuhan ekonomi masa hadapan, pertumbuhan perbelanjaan pengiklanan masa hadapan, angka-angka inflasi masa hadapan, kadar-kadar diskaun bersesuaian dan sebagainya adalah diperlukan untuk menganggar aliran tunai masa hadapan syarikat-syarikat yang dilaburkan. Pertimbangan ini adalah berdasarkan perjalanan sejarah dan jangkaan terhadap sesuatu perkara pada masa hadapan yang dipercayai munasabah dalam keadaan tertentu.

(e) **Liabiliti luar jangkaan**

Kumpulan mempunyai sejumlah kes-kes guaman yang tertangguh yang dinyatakan dalam Nota 32 kepada penyata kewangan. Pengarah-pengarah telah menetapkan pendirian samada terdapatnya liabiliti masa hadapan yang mungkin berlaku daripada prosiding guaman berdasarkan nasihat perundangan. Setiap kes adalah unik dan berikutan itu keputusan tidak dapat ditentukan dengan pasti.

Pertimbangan kritikal dalam menggunakan dasar-dasar perakaunan Syarikat

Dalam menentukan dan menggunakan dasar perakaunan, penentuan selalunya diperlukan di mana beberapa pilihan dasar tertentu boleh memberi kesan material ke atas keputusan yang dilaporkan dan kedudukan kewangan Kumpulan dan Syarikat. Bagaimanapun, Pengarah-pengarah berpendapat bahawa tiada dasar-dasar perakaunan yang memerlukan pertimbangan penting untuk dilaksanakan pada masa sekarang.

5 **PENGURUSAN RISIKO KEWANGAN**

Aktiviti-aktiviti Kumpulan mendedahkan kepada pelbagai risiko kewangan, termasuk:

- risiko tukaran mata wang asing – risiko di mana nilai instrumen kewangan akan turun-naik disebabkan perubahan di dalam kadar pertukaran asing.
- risiko kadar faedah – risiko di mana nilai instrumen kewangan akan turun-naik disebabkan perubahan di dalam kadar faedah pasaran.
- risiko aliran tunai – risiko di mana aliran tunai masa depan yang berkaitan dengan instrumen kewangan akan turun-naik. Di dalam kes kadar apung instrumen hutang, penurunan-naik tersebut menghasilkan perubahan kepada kadar faedah efektif instrumen kewangan.
- risiko kredit – risiko di mana satu pihak kepada instrumen kewangan akan gagal untuk melaksanakan tanggungjawab dan menyebabkan satu pihak lagi menanggung kerugian kewangan.
- risiko kecairan (risiko dana) – risiko di mana satu perusahaan akan menghadapi kesukaran untuk mengumpul dana bagi memenuhi komitmen yang dikaitkan dengan instrumen-instrumen kewangan.

Program pengurusan risiko kewangan keseluruhan Kumpulan menfokuskan kepada ketidaktentuan pasaran-pasaran kewangan dan cuba meminimakan potensi kesan buruk ke atas prestasi kewangan Kumpulan. Pengurusan risiko kewangan dijalankan menerusi kajian risiko, sistem kawalan dalaman, program insurans dan pematuhan kepada dasar-dasar pengurusan risiko kewangan Kumpulan. Lembaga Pengarah dari masa ke semasa mengkaji semula risiko-risiko ini.

5 PENGURUSAN RISIKO KEWANGAN (samb.)

(a) Risiko tukaran mata wang asing

Pendedahan mata wang bagi aset-aset dan liabiliti-liabiliti kewangan Kumpulan dan Syarikat yang tidak dinamakan dalam fungsi mata wang syarikat-syarikat masing-masing adalah dinyatakan seperti di bawah.

	Pendedahan mata wang pada 31.12.2006			
	RM RM'000	Dolar AS RM'000	Lain-lain RM'000	Jumlah RM'000
Kumpulan				
Pelaburan-pelaburan lain	1,224	0	0	1,224
Saham-saham yang boleh diniagakan	0	0	0	0
Dagangan belum terima	99,417	81	464	99,962
Deposit, baki di bank dan tunai	27,782	38	67	27,887
Dagangan belum bayar-luaran	(67,803)	(129)	(15)	(67,947)
Pinjaman bank	(220,000)	0	0	(220,000)
	<u>(159,380)</u>	<u>(10)</u>	<u>516</u>	<u>(158,874)</u>
Syarikat				
Pelaburan-pelaburan lain	1,193	0	0	1,193
Dagangan belum terima:				
- luaran	96,539	0	429	96,968
- dalam kumpulan	31,887	0	0	31,887
Deposit, baki di bank dan tunai	26,936	0	39	26,975
Dagangan belum bayar:				
- luaran	(57,137)	(129)	(15)	(57,281)
- dalam Kumpulan	(12,559)	0	0	(12,559)
Pinjaman bank	(220,000)	0	0	(220,000)
	<u>(133,141)</u>	<u>(129)</u>	<u>453</u>	<u>(132,817)</u>
Pendedahan mata wang pada 31.12.2005				
	RM RM'000	Dolar AS RM'000	Lain-lain RM'000	Jumlah RM'000
Kumpulan				
Pelaburan-pelaburan lain	2,532	0	0	2,532
Saham-saham yang boleh diniagakan	590	0	0	590
Dagangan belum terima	105,765	7,398	17	113,180
Deposit, baki di bank dan tunai	11,532	946	1,239	13,717
Dagangan belum bayar-luaran	(56,659)	(7,430)	(228)	(64,317)
Pinjaman bank	(228,226)	0	0	(228,226)
	<u>(164,466)</u>	<u>914</u>	<u>1,028</u>	<u>(162,524)</u>
Syarikat				
Pelaburan-pelaburan lain	2,426	0	0	2,426
Dagangan belum terima:				
- luaran	102,687	53	0	102,740
- dalam kumpulan	34,114	0	0	34,114
Deposit, baki di bank dan tunai	9,573	0	1,093	10,666
Dagangan belum bayar:				
- luaran	(49,503)	(176)	(76)	(49,755)
- dalam Kumpulan	(517,011)	0	0	(517,011)
Pinjaman bank	(228,226)	0	0	(228,226)
	<u>(645,940)</u>	<u>(123)</u>	<u>1,017</u>	<u>(645,046)</u>

* Pendedahan mata wang di bawah "lain-lain" pada prinsipnya merujuk kepada Dolar Singapura, Baht Thailand dan Euro.

5 PENGURUSAN RISIKO KEWANGAN (samb.)

(b) **Risiko kadar faedah**

Kumpulan dan Syarikat menguruskan pendedahan kadar faedah dengan mengekalkan campuran berhema di antara kadar pinjaman apung dan tetap. Pendedahan Kumpulan kepada risiko di mana nilai instrumen kewangan akan menurun-naik disebabkan perubahan dalam pasaran kadar faedah adalah dinyatakan dalam jadual nilai saksama.

(c) **Nilai-nilai saksama**

Nilai dibawa aset-aset dan liabiliti-liabiliti kewangan Kumpulan dan Syarikat pada tarikh kunci kira-kira menghampiri nilai saksama mereka kecuali yang dinyatakan di bawah:

	Nilai dibawa RM'000	Kumpulan Nilai saksama RM'000	Nilai dibawa RM'000	Syarikat Nilai saksama RM'000
Pada 31 Disember 2006				
Pelaburan-pelaburan lain:				
- saham disenaraikan	1	1	1	1
- stok pinjaman boleh ditebus tidak bercagar	28	27	0	0
Pendahuluan kepada anak syarikat	0	0	30,835	28,551
	<u>0</u>	<u>0</u>	<u>30,835</u>	<u>28,551</u>
Pada 31 Disember 2005				
Pelaburan-pelaburan lain:				
- saham disenaraikan	1,104	1,228	1,041	1,224
- stok pinjaman boleh ditebus tidak bercagar	40	39	0	0
Pendahuluan kepada anak syarikat	0	0	32,383	29,608
Pendahuluan daripada anak syarikat	0	0	507,512	464,025
	<u>0</u>	<u>0</u>	<u>507,512</u>	<u>464,025</u>

Nilai saksama terhadap saham-saham yang tidak disenaraikan, kebanyakannya berkaitan dengan keahlian kelab, tidak banyak berbeza daripada nilai dibawa iaitu RM1,195,000 (2005: RM1,388,000) untuk Kumpulan dan RM1,192,000 (2005: RM1,385,000) untuk Syarikat pada 31 Disember 2006.

Kaedah di mana maklumat nilai saksama ditentukan dan sebarang andaian penting yang dibuat di dalam penggunaannya adalah seperti berikut:

- saham-saham disenaraikan dan saham-saham boleh diniagakan – harga pasaran yang disenaraikan pada tarikh kunci kira-kira
- saham-saham tidak disenaraikan dan stok pinjaman boleh ditebus tidak bercagar– nilai anggaran terdiskaun aliran tunai masa hadapan
- persamaan tunai, dagangan belum terima dan belum bayar dengan tempoh matang kurang daripada satu tahun (di mana semua adalah tertakluk kepada terma kredit normal) – nilai dibawa pada tarikh kunci kira-kira

(d) **Risiko kredit**

Kumpulan bercadang melabur aset-aset tunai secara selamat dan menguntungkan. Kumpulan dan Syarikat melaksanakan dasar kredit yang sepatutnya dan mengawasi pendedahan kepada risiko kredit secara berterusan. Risiko kredit adalah dikawal secara menyelesaikan had-had pelanggan dan memastikan penilaian kredit adalah dilaksanakan ke atas semua pelanggan yang memohon kredit untuk memastikan jualan hanyalah diberi kepada pelanggan yang mempunyai sejarah kredit yang baik.

Kumpulan dan Syarikat tidak mempunyai konsentrasi risiko kredit yang penting. Pendedahan maksimum risiko kredit Kumpulan dan Syarikat adalah ditunjukkan oleh jumlah yang dibawa oleh setiap aset kewangan.

5 **PENGURUSAN RISIKO KEWANGAN (samb.)****(e) Risiko kecairan**

Kumpulan dan Syarikat menguruskan aliran tunai operasi secara aktif dan memastikan keupayaan pembiayaan segala pembayaran semula dan keperluan pembiayaan adalah mencukupi. Sebagai sebahagian daripada pengurusan kecairan berhemah yang menyeluruh, Kumpulan mengekalkan paras tunai yang mencukupi untuk memenuhi keperluan modal kerja. Kumpulan bercadang mengekalkan keanjalan dalam pembiayaan secara menyimpan kemudahan kredit sedia ada yang komited.

6 **PENURUNAN NILAI ASET-ASET****(a) Kerugian penurunan nilai dalam tempoh kewangan – pegangan bebas dan pegangan pajakan tanah dan bangunan.**

Kumpulan dan Syarikat mengiktiraf kerugian penurunan nilai berjumlah RM37,657,000 (2005: RM259,000) dan RM32,583,000 (2005: Sifar) dalam tahun kewangan masing-masing berkaitan pegangan pajakan dan pegangan bebas tanah dan bangunan. Jumlah tebus semula aset-aset adalah nilai saksama ditolak kos jualan yang ditentukan merujuk kepada nilai pasaran terbuka hartanah setempat.

(b) Keterbalikan kerugian penurunan nilai dalam tahun kewangan – loji-loji percetakan daerah**Tempoh kewangan berakhir 31 Disember 2003**

Ketika tempoh kewangan terdahulu berakhir 31 Disember 2003, Syarikat telah membuat penilaian samada terdapat sebarang petunjuk yang penurunan nilai ke atas hartanah, loji dan peralatan mengikut syarat-syarat dalam FRS 136 - Penurunan nilai Aset-aset. Berdasarkan bukti daripada laporan dalaman Syarikat, Pengarah-pengarah Syarikat berpendapat bahawa loji-loji percetakan daerah ("LPD") Syarikat telah diturun nilai berikutan anggaran aliran tunai bersih atau keuntungan operasi terhasil daripada aset-aset ini adalah signifikannya rendah daripada jangkaan. Nilai yang digunakan dalam LPD telah dikira menggunakan anggaran aliran tunai LPD tersebut untuk menetapkan amaun boleh diterima, dan kerugian penurunan nilai berjumlah RM192,447,000 telah diiktiraf di dalam tahun kewangan berakhir 31 Disember 2003.

Tahun kewangan berakhir 31 Disember 2006 dan 31 Disember 2005

Syarikat membuat penilaian semula tahunan pada kerugian penurunan nilai LPD, dan berjumlah RM85,792,000 dan RM24,885,000 telah dimasukkan semula ke dalam penyata pendapatan bagi tahun berakhir 31 Disember 2006 dan 31 Disember 2005, berpandukan kepada semakan ke atas beberapa andaian-andaian penting.

Andaian-andaian utama yang dipakai bagi mengira nilai yang digunakan pada 31 Disember 2006 adalah seperti berikut:

- Nilai yang digunakan dikira menggunakan anggaran aliran tunai LPD bagi tempoh lima tahun bermula 2007 sehingga 2011 (2005: 2006 to 2010). Tiada pertumbuhan aliran tunai diramalkan bagi dua belas tahun berikutnya iaitu sehingga tamat tempoh jangka hayat LPD;
- Kadar diskaun yang diguna bagi mengira nilai yang digunakan adalah 10.64% (2005: 9.37%); dan
- Nilai tukaran wang asing bagi USD telah disemak daripada USD1:RM3.78 pada 31 Disember 2005 kepada USD1:RM3.50 dalam tahun 2007 dan USD1:RM3.45 bagi tahun-tahun kewangan seterusnya.

7 **PEROLEHAN**

	2006	Kumpulan	2006	Syarikat
	RM'000	2005	RM'000	2005
		RM'000		RM'000
Jualan produk	247,135	243,485	243,141	243,526
Penyediaan perkhidmatan	272,453	287,658	264,662	273,218
Pendapatan pelaburan hartanah	475	541	0	0
	<u>520,063</u>	<u>531,684</u>	<u>507,803</u>	<u>516,744</u>

8 KEUNTUNGAN SEBELUM CUKAI

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Untung daripada operasi dihitung selepas dicajkan:				
Ganjaran juruaudit (Nota 9)	565	562	323	303
Penurunan nilai pelaburan dalam:				
- anak-anak syarikat	0	0	50	196
- syarikat-syarikat bersekutu	0	4,751	0	0
Kerugian atas pelupusan sekuriti-sekuriti boleh diniagakan	0	27	0	0
Elaun penurunan nilai:				
- pelaburan-pelaburan lain	0	183	0	171
- sekuriti-sekuriti boleh diniagakan	0	197	0	0
Elaun hutang ragu:				
- anak-anak syarikat	0	0	4,113	7,614
- dagangan belum terima dan lain-lain	0	0	882	1,218
Hartanah, loji dan peralatan:				
- susutnilai	40,559	43,665	40,074	43,140
- kerugian penurunan nilai	32,709	113	32,534	0
- hapus kira	0	124	0	0
Pelaburan hartanah:				
- susutnilai	586	642	220	220
- kerugian penurunan nilai	4,897	96	0	0
Bayaran pajakan prabayar:				
- pelunasan	132	132	98	96
- kerugian penurunan nilai	51	50	49	0
Sewa tanah dan bangunan	5,671	5,128	5,343	4,937
Kos penyelidikan dan pembangunan	0	499	0	499
Kos pekerja	129,209	130,129	74,577	75,466
	<u>129,209</u>	<u>130,129</u>	<u>74,577</u>	<u>75,466</u>
dan selepas dikreditkan:				
Pendapatan dividen (kasar):				
- anak-anak syarikat	0	0	2,670	3,729
- saham-saham disenaraikan di Malaysia	9	7	7	0
Keuntungan ke atas pembubaran anak syarikat	0	0	497,871	0
Keuntungan ke atas pelupusan:				
- hartanah, loji dan peralatan	1,878	735	1,878	132
- pelaburan hartanah	0	12	0	0
- pelaburan-pelaburan lain	576	0	542	0
Kerugian penurunan nilai dimasuk kira semula:				
- hartanah, loji dan peralatan	85,792	24,885	85,792	24,885
- pelaburan di dalam syarikat bersekutu	0	0	0	41,301
Elaun hutang ragu dimasuk kira semula:				
- syarikat bersekutu	0	7,651	0	0
- dagangan belum terima dan lain-lain	193	31	0	0
Elaun stok usang dimasuk kira semula	156	0	156	0
Hutang ragu pulih	0	47	0	47
Pendapatan sewa	601	422	601	422
	<u>601</u>	<u>422</u>	<u>601</u>	<u>422</u>

Perbelanjaan operasi daripada pelaburan hartanah yang menghasilkan pendapatan sewa bagi Kumpulan dan Syarikat bagi tahun kewangan ini masing-masing berjumlah RM434,000 (2005: RM686,000) dan RM27,000 (2005: RM27,000).

Perbelanjaan operasi daripada pelaburan hartanah yang tidak menghasilkan pendapatan sewa bagi Kumpulan dan Syarikat bagi tahun kewangan ini masing-masing berjumlah RM32,000 (2005: RM36,000) dan RM1,000 (2005: RM1,000).

Caj bagi tahun berakhir 31 Disember 2006 untuk sumbangan kepada Kumpulan Wang Simpanan Pekerja bagi Kumpulan dan Syarikat masing-masing adalah RM15,257,000 (2005: RM15,427,000) dan RM8,711,000 (2005: RM9,173,000).

Caj bagi tahun berakhir 31 Disember 2005 untuk manfaat pemberhentian disebabkan skim pemisahan sukarela bagi Kumpulan dan Syarikat masing-masing adalah RM28,348,000 (2005: Sifar) dan RM18,962,000 (2005: Sifar).

9 GANJARAN JURUAUDIT

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Audit berkanun	291	283	168	158
Yuran untuk perkhidmatan lain:				
- kerja lain berkaitan audit	116	88	91	65
- nasihat cukai dan kerja pematuhan	158	191	64	80
	<u>274</u>	<u>279</u>	<u>155</u>	<u>145</u>
Jumlah ganjaran	<u><u>565</u></u>	<u><u>562</u></u>	<u><u>323</u></u>	<u><u>303</u></u>

10 GANJARAN PENGARAH-PENGARAH

	Kumpulan dan Syarikat	
	2006 RM'000	2005 RM'000
Yuran Pengarah-pengarah	313	265
Imbuan lain	1,213	1,134
	<u>1,526</u>	<u>1,399</u>

Nilai kewangan daripada manfaat barangan diterima oleh Pengarah-pengarah Syarikat dianggarkan berjumlah RM24,000 (2005: RM12,000) untuk Kumpulan dan Syarikat.

11 PENDAPATAN/KOS KEWANGAN

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Pendapatan kewangan				
Pendapatan faedah	0	(153)	(1,504)	(1,655)
Kos kewangan				
Perbelanjaan faedah	10,493	9,227	10,594	9,227
Tambah/(kurang):				
Faedah dipermodalkan ke dalam hartanah, loji dan peralatan (Nota 14)	(270)	(256)	(270)	(256)
Pelunasan dan penerimaan komisen	549	3,309	548	3,309
	<u>10,772</u>	<u>12,280</u>	<u>10,872</u>	<u>12,280</u>

12 PERCUKAIAN

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Cukai semasa:				
- cukai di Malaysia	132	(112)	0	(84)
Cukai tertunda (Nota 26)				
- Syarikat dan anak-anak syarikat	13,219	17,015	12,878	16,769
	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

12 PERCUKAIAN (samb.)

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Cukai semasa				
Tahun kewangan semasa	45	544	0	63
Kurangan/(lebih)an peruntukan dalam tahun kewangan terdahulu (bersih)	87	(656)	0	(147)
	<u>132</u>	<u>(112)</u>	<u>0</u>	<u>(84)</u>
Cukai tertunda				
Pengasalan dan balikan perbezaan sementara	13,219	17,015	12,878	16,769
	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

Keterangan berhubungkait di antara perbelanjaan cukai dan keuntungan sebelum cukai adalah seperti berikut:

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Keuntungan sebelum cukai	<u>37,912</u>	<u>29,307</u>	<u>539,738</u>	<u>65,250</u>
Cukai dikira pada kadar cukai Malaysia iaitu 28% (2005: 28%)	10,615	8,206	151,139	18,270
Kesan cukai:				
- perbelanjaan tidak boleh ditolak bagi tujuan percukaian	2,475	15,584	1,143	5,655
- perbelanjaan yang layak untuk potongan	(64)	(95)	0	0
- pendapatan tidak dikenakan cukai	(2,419)	(12,283)	(139,404)	(11,564)
- kerugian cukai tahun semasa yang tidak dikenalpasti	1,401	1,413	0	0
- penggunaan kerugian cukai yang dibawa terdahulu yang tidak dikenalpasti	0	(69)	0	0
- kesan daripada perbezaan cukai di antara SMEs dan kadar cukai korporat	(98)	(54)	0	0
- keterbalikan perbezaan sementara yang diiktiraf sebelumnya	968	0	0	0
- perbezaan sementara yang tidak diiktiraf bagi tahun-tahun kewangan sebelumnya	83	4,857	0	4,471
- perbezaan sementara yang tidak diiktiraf bagi tahun-tahun kewangan semasa	317	0	0	0
- perubahan kadar cukai	(14)	0	0	0
Kurangan/(lebih)an cukai terakru bagi tahun sebelumnya	87	(656)	0	(147)
Perbelanjaan cukai	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

13 PENDAPATAN SESAHAM
(a) Pendapatan asas sesaham

Pendapatan asas sesaham Kumpulan dikira dengan cara membahagikan keuntungan bersih bagi tahun kewangan dengan nombor purata berwajaran saham biasa yang diterbitkan di dalam tahun kewangan.

		2006	2005
Keuntungan bagi tahun kewangan	(RM'000)	24,561	12,404
Nombor purata berwajaran saham biasa yang diterbitkan	('000)	217,228	217,228
Pendapatan asas saham	(Sen)	<u>11.31</u>	<u>5.71</u>

(b) Pendapatan sesaham dicairkan

Untuk pengiraan pendapatan sesaham dicairkan, nombor purata berwajaran saham biasa diterbitkan adalah tidak berubah di mana tiada potensi saham biasa dicairkan kerana harga pasaran saham biasa adalah lebih rendah daripada harga yang dilaksanakan pada harga RM4.05 atau RM3.55 atau RM3.51 sesaham.

		2006	2005
Keuntungan bagi tahun kewangan	(RM'000)	24,561	12,404
Nombor purata berwajaran saham biasa yang diterbitkan	('000)	217,228	217,228
Pendapatan asas saham	(Sen)	<u>11.31</u>	<u>5.71</u>

14 HARTANAH, LOJI DAN PERALATAN

	Nilai buku bersih pada 1.1.2006 RM'000	Diklasifikasikan ke aset-aset bukan semasa untuk dijual RM'000	Penambahan RM'000	Pelupusan RM'000	(Elaun untuk)/ masuk kira semula kerugian penurunan nilai RM'000	Susutnilai dikenakan RM'000	Nilai buku bersih pada 31.12.2006 RM'000
Kumpulan							
2006							
Tanah milik bebas	82,940	(4,901)	0	(10,126)	0	0	67,913
Bangunan	189,400	(2,169)	770	0	(32,534)	(4,986)	150,481
Loji dan jentera	387,156	0	2,255	0	85,617	(24,408)	450,620
Kenderaan bermotor	662	0	835	0	0	(49)	1,448
Perabot, komputer dan peralatan	14,977	0	4,879	(10)	0	(11,116)	8,730
Aset-aset dalam pembinaan	3,600	0	12,770	0	0	0	16,370
	<u>678,735</u>	<u>(7,070)</u>	<u>21,509</u>	<u>(10,136)</u>	<u>53,083</u>	<u>(40,559)</u>	<u>695,562</u>

14 HARTANAH, LOJI DAN PERALATAN (samb.)

	Nilai buku bersih pada 1.1.2005 RM'000	Penambahan RM'000	Pelupusan RM'000	Dihapus kira RM'000	(Elaun untuk)/ masuk kira semula kerugian penurunan nilai RM'000	Susutnilai dikenakan RM'000	Nilai buku bersih pada 31.12.2005 RM'000
Kumpulan							
2005							
Tanah milik bebas	83,046	0	(106)	0	0	0	82,940
Bangunan	195,825	0	(65)	0	(113)	(6,247)	189,400
Loji dan jentera	390,697	8,057	(29)	0	24,885	(36,454)	387,156
Kenderaan bermotor	395	498	0	0	0	(231)	662
Perabot, komputer dan peralatan	14,802	1,090	(58)	(124)	0	(733)	14,977
Aset-aset dalam pembinaan	2,742	858	0	0	0	0	3,600
	<u>687,507</u>	<u>10,503</u>	<u>(258)</u>	<u>(124)</u>	<u>24,772</u>	<u>(43,665)</u>	<u>678,735</u>
31.12.2006							
		Susutnilai terkumpul dan kerugian Kos penurunan nilai RM'000		Nilai buku bersih RM'000		Susutnilai terkumpul dan kerugian Kos penurunan nilai RM'000	31.12.2005
							Nilai buku bersih RM'000
Kumpulan							
Tanah milik bebas	67,913	0	67,913	82,940	0	82,940	
Bangunan	247,739	(97,258)	150,481	249,138	(59,738)	189,400	
Loji dan jentera	634,156	(183,536)	450,620	631,901	(244,745)	387,156	
Kenderaan bermotor	4,072	(2,624)	1,448	3,237	(2,575)	662	
Perabot, komputer dan peralatan	89,031	(80,301)	8,730	84,162	(69,185)	14,977	
Aset-aset dalam pembinaan	16,370	0	16,370	3,600	0	3,600	
	<u>1,059,281</u>	<u>(363,719)</u>	<u>695,562</u>	<u>1,054,978</u>	<u>(376,243)</u>	<u>678,735</u>	
(Elaun untuk)/ masuk kira semula kerugian penurunan nilai RM'000							
	Nilai buku bersih pada 1.1.2006 RM'000	Diklasifikasikan ke aset-aset bukan semasa untuk dijual Penambahan RM'000	Pelupusan RM'000			Susutnilai dikenakan RM'000	Nilai buku bersih pada 31.12.2006 RM'000
Syarikat							
2006							
Tanah milik bebas	82,940	(4,901)	0	(10,126)	0	0	67,913
Bangunan	189,400	(2,169)	770	0	(32,534)	(4,986)	150,481
Loji dan jentera	360,910	0	1,906	0	85,792	(24,159)	424,449
Kenderaan bermotor	662	0	669	0	0	(27)	1,304
Perabot, komputer dan peralatan	15,675	0	4,828	(10)	0	(10,902)	9,591
Aset-aset dalam pembinaan	28,453	0	12,770	0	0	0	41,223
	<u>678,040</u>	<u>(7,070)</u>	<u>20,943</u>	<u>(10,136)</u>	<u>53,258</u>	<u>(40,074)</u>	<u>694,961</u>

15 PELABURAN HARTANAH

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Nilai buku bersih				
Pada awal tahun kewangan	37,980	38,759	8,015	8,235
Pelupusan	(145)	(41)	0	0
Susutnilai dikenakan (Nota 8)	(586)	(642)	(220)	(220)
Kerugian penurunan nilai (Nota 8)	(4,897)	(96)	0	0
Dipindahkan daripada aset-aset bukan semasa dipegang untuk dijual	192	0	0	0
Pada akhir tahun kewangan	<u>32,544</u>	<u>37,980</u>	<u>7,795</u>	<u>8,015</u>
Kos	43,342	43,449	8,791	8,791
Susutnilai terkumpul dan Kerugian penurunan nilai	(10,798)	(5,469)	(996)	(776)
Nilai buku bersih	<u>32,544</u>	<u>37,980</u>	<u>7,795</u>	<u>8,015</u>

Nilai saksama pelaburan hartanah untuk Kumpulan dan Syarikat masing-masing telah dianggarkan pada RM49,285,000 dan RM20,782,000 berdasarkan penilaian oleh jurunilai bertauliah profesional yang berkecuali. Penilaian adalah berdasarkan harga semasa dalam pasaran aktif untuk semua hartanah.

16 ANAK-ANAK SYARIKAT

	2006 RM'000	Syarikat 2005 RM'000
Saham-saham tidak disenaraikan:		
Kos	13,608	27,158
Tolak: Kerugian penurunan nilai terkumpul	(8,501)	(8,501)
	<u>5,107</u>	<u>18,657</u>

Pada 28 September 2006, satu resolusi khas telah dikemukakan dalam EGM bagi pembubaran Pitisan Sdn Bhd ("Pitisan"), anak syarikat milik penuh Syarikat menerusi Pembubaran Sukarela Ahli menurut Section 254(1)(b) Akta Syarikat, 1965. Pembubar bersama yang dilantik adalah Chin Kim Chung dan Loh Kok Leong dari Russell Bedford LC & Company, Akauntan Bertauliah, Tingkat 10, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur.

Pelaburan Pitisan dalam Basshill Holdings Limited ("Basshill") dan Worldbase Investment Limited ("Worldbase"), anak syarikat milik penuh Pitisan, telah diperuntukkan sepenuhnya, telah dipindahkan ke Syarikat pada nilai buku bersih RM1.

Berikutan pembubaran, Surat Ikatan Serah Hak dan Perjanjian Pembahagian bertarikh 20 November 2006 telah ditandatangani di antara Pitisan dan Syarikat di mana kedua-dua pihak bersetuju bahawa hutang Syarikat kepada Pitisan akan diserahkan kepada Syarikat, dan dikenalpasti sebagai dana lebihan pulangan modal sebagai kaedah pembahagian khusus kepada Syarikat. Pada 14 Disember 2006, lebihan aset pulangan interim pertama Pitisan berjumlah RM507,871,000 telah diisytiharkan dan diagihkan kepada Syarikat.

Dalam tahun kewangan terdahulu, Syarikat melupuskan 1 saham biasa pada harga 1.00 Dolar AS setiap satu, mewakili keseluruhan modal saham diterbitkan dan dibayar Basshill Holdings Limited ("Basshill") kepada Pitisan Sdn Bhd ("Pitisan"), di mana kedua-duanya adalah anak syarikat milik penuh Syarikat, pada nilai buku bersih RM2,000. Pada tarikh sama, Syarikat juga melupuskan 1 saham biasa pada harga 1.00 Dolar AS, mewakili keseluruhan modal saham diterbitkan dan dibayar penuh Worldbase Investments Limited ("Worldbase"), anak syarikat milik penuh Syarikat, kepada Pitisan pada nilai buku bersih RM2,000.

Kepentingan ekuiti Kumpulan dalam anak-anak syarikat, aktiviti-aktiviti utama mereka dan negara di mana masing-masing diperbadankan dinyatakan dalam Nota 35 kepada penyata kewangan.

17 SYARIKAT-SYARIKAT BERSEKUTU

	2006	2005
	RM'000	RM'000
Syarikat		
Saham-saham tidak disenaraikan, pada kos	238,344	238,344
Tolak: Kerugian penurunan nilai terkumpul	(14,156)	(14,156)
	<u>224,188</u>	<u>224,188</u>
Kumpulan		
Bahagian aset-aset bersih	202,931	196,914
Tolak: Kerugian penurunan nilai terkumpul	(4,751)	(4,751)
Tolak: Muhibah ke atas pengambilalihan dihapus kira	(7,551)	(7,551)
	<u>190,629</u>	<u>184,612</u>

Kepentingan ekuiti Kumpulan dalam syarikat-syarikat bersekutu, aktiviti-aktiviti utama mereka dan negara di mana masing-masing diperbadankan dinyatakan dalam Nota 35 kepada penyata kewangan.

18 PELABURAN-PELABURAN LAIN

	2006	Kumpulan	2006	Syarikat
	RM'000	2005	RM'000	2005
		RM'000		RM'000
Bukan Semasa				
Saham-saham disenaraikan di Malaysia, pada kos	2	1,733	2	1,633
Tolak: Elaun atas penurunan nilai	(1)	(629)	(1)	(592)
	<u>1</u>	<u>1,104</u>	<u>1</u>	<u>1,041</u>
Saham-saham tidak disenaraikan	1,448	17,654	1,272	1,465
Tolak: Elaun atas penurunan nilai	(253)	(16,266)	(80)	(80)
	<u>1,195</u>	<u>1,388</u>	<u>1,192</u>	<u>1,385</u>
Stok pinjaman boleh ditebus tidak bercagar dan tidak disenaraikan, pada kos	28	40	0	0
Jumlah pelaburan	<u>1,224</u>	<u>2,532</u>	<u>1,193</u>	<u>2,426</u>
Saham tersenarai di Malaysia, pada harga pasaran	<u>1</u>	<u>1,288</u>	<u>1</u>	<u>1,224</u>

19 ASET-ASET BUKAN SEMASA DIPEGANG UNTUK DIJUAL

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Hartanah, loji dan peralatan:				
- tanah milik bebas	4,901	0	4,901	0
- bangunan milik bebas	0	192	0	0
- bangunan pegangan pajak	2,169	0	2,169	0
Bayaran pajakan prabayar	368	0	368	0
Pelaburan di dalam anak syarikat:				
- kos	0	0	3,550	0
- kerugian penurunan nilai terkumpul	0	0	(50)	0
	<u>7,438</u>	<u>192</u>	<u>10,938</u>	<u>0</u>

Dalam tempoh kewangan, Syarikat telah menandatangani perjanjian jual beli bagi cadangan pelupusan tanah dan bangunan milik bebas dan pegangan pajak, dan anak-anak syarikat (Nota 36). Cadangan pelupusan ini memenuhi kriteria yang dinyatakan dalam FRS 5 - Aset-aset Bukan Semasa Dipegang Untuk Dijual dan Pembentangan Penamatan Kendalian, dengan itu, aset-aset diklasifikasikan sebagai "aset-aset dipegang untuk dijual".

20 INVENTORI

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Pada kos:				
Bahan-bahan mentah	154,787	146,848	154,787	146,848
Stok-stok penerbitan	329	297	329	297
	<u>155,116</u>	<u>147,145</u>	<u>155,116</u>	<u>147,145</u>
Pada nilai bersih yang boleh terealisasi:				
Inventori peralatan untuk jualan semula	0	6	0	0
	<u>155,116</u>	<u>147,151</u>	<u>155,116</u>	<u>147,145</u>

21 DAGANGAN BELUM TERIMA

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Dagangan belum terima	160,955	166,748	148,685	152,390
Tolak: Elaun hutang-hutang ragu	(65,548)	(66,584)	(55,386)	(54,321)
	<u>95,407</u>	<u>100,164</u>	<u>93,299</u>	<u>98,069</u>
Lain-lain dagangan belum terima dan prabayar	5,459	13,077	3,669	4,854
Tolak: Elaun hutang-hutang ragu	(904)	(61)	0	(183)
	<u>4,555</u>	<u>13,016</u>	<u>3,669</u>	<u>4,671</u>
	<u>99,962</u>	<u>113,180</u>	<u>96,968</u>	<u>102,740</u>

Tempoh kredit bagi dagangan belum terima adalah di antara tempoh prabayar hingga 60 hari.

22 SEKURITI-SEKURITI BOLEH DINIAGAKAN

	2006 RM'000	Kumpulan 2005 RM'000
Saham-saham tersenarai di Malaysia:		
Pada Kos	0	4,012
Tolak: Elaun atas penurunan nilai	0	(3,422)
Pada harga pasaran	<u>0</u>	<u>590</u>

23 BAKI-BAKI DI BANK DAN DEPOSIT

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Deposit-deposit dengan bank-bank berlesen	1,000	1,000	1,000	1,000
Tunai dan baki-baki di bank	26,887	12,717	25,975	9,666
	<u>27,887</u>	<u>13,717</u>	<u>26,975</u>	<u>10,666</u>

Termasuk di dalam baki di bank dan deposit-deposit adalah jumlah yang dipegang daripada derma umum sebanyak RM1,000,000 (2005: RM1,000,000) untuk Kumpulan dan Syarikat, yang dikecualikan daripada tunai dan persamaan tunai dalam carta aliran tunai Kumpulan dan Syarikat.

Kadar faedah tahunan bagi deposit-deposit, baki-baki di bank dan tunai yang berkuatkuasa pada tarikh kunci kira-kira adalah seperti berikut:

	2006 %	Kumpulan 2005 %	2006 %	Syarikat 2005 %
Deposit-deposit dengan bank-bank berlesen	<u>3.15</u>	<u>3.0</u>	<u>3.15</u>	<u>3.0</u>

Deposit-deposit bagi Kumpulan dan Syarikat mempunyai purata tempoh matang selama 30 hari (2005: 30 hari). Baki-baki di bank adalah deposit-deposit yang dipegang oleh pihak bank.

24 DAGANGAN BELUM BAYAR

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Dagangan belum bayar	23,414	30,102	23,225	29,421
Lain-lain dagangan belum bayar dan terakru	44,533	34,215	34,056	20,334
	<u>67,947</u>	<u>64,317</u>	<u>57,281</u>	<u>49,755</u>

Tempoh kredit bagi dagangan belum bayar diberikan kepada Kumpulan dan Syarikat bermula dari tempoh bukan kredit hingga 90 hari.

25 PINJAMAN-PINJAMAN BANK

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Tidak bercagar:				
- Kredit pusingan	220,000	224,000	220,000	224,000
- Penerimaan bank	0	4,226	0	4,226
	<u>220,000</u>	<u>228,226</u>	<u>220,000</u>	<u>228,226</u>

Pinjaman-pinjaman bank dikenakan kadar-kadar faedah tahunan seperti berikut:

	2006	Kumpulan 2005	2006	Syarikat 2005
Kredit pusingan	3.60% - 4.85%	3.60% - 4.20%	3.60% - 4.85%	3.60% - 4.20%
Penerimaan bank	0	3.20% - 3.60%	0	3.20% - 3.60%

26 ASET-ASET/(LIABILITI-LIABILITI) CUKAI TERTUNDA

Aset-aset dan liabiliti-liabiliti cukai tertunda adalah dioffset apabila adanya hak penguatkuasaan yang sah untuk mengoffset aset-aset cukai tertunda ke atas liabiliti-liabiliti cukai tertunda dan bila cukai berkaitan dengan penguatkuasaan cukai yang sama.

Jumlah yang telah ditentukan selepas dioffset, ditunjukkan di dalam kunci kira-kira seperti berikut:

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Merujuk kepada cukai pendapatan:				
Aset-aset cukai tertunda	4,927	18,960	3,719	16,597
Liabiliti-liabiliti cukai tertunda	(100)	(914)	0	0
	<u>4,827</u>	<u>18,046</u>	<u>3,719</u>	<u>16,597</u>
Pada awal tahun kewangan	18,046	35,061	16,597	33,366
Dikreditkan/(dikenakan) ke penyata pendapatan (Nota 12)				
- hartanah, loji dan peralatan	(13,709)	(17,608)	(13,402)	(16,917)
- dagangan belum terima	(111)	47	(111)	47
- dagangan belum bayar	659	1,399	693	721
- pelaburan	0	(21)	0	0
- kerugian cukai	0	(795)	0	(583)
- inventori	(58)	(37)	(58)	(37)
	<u>(13,219)</u>	<u>(17,015)</u>	<u>(12,878)</u>	<u>(16,769)</u>
Pada akhir tahun kewangan	<u>4,827</u>	<u>18,046</u>	<u>3,719</u>	<u>16,597</u>

Aset-aset cukai tertunda

Hartanah, loji dan peralatan	0	2,920	0	1,782
Dagangan belum terima	2,185	2,296	2,185	2,296
Dagangan belum bayar	2,328	1,669	1,684	991
Pelaburan	0	0	0	0
Kerugian cukai	12,020	12,020	11,462	11,462
Inventori	8	66	8	66
	<u>16,541</u>	<u>18,971</u>	<u>15,339</u>	<u>16,597</u>
Sebelum offset	16,541	18,971	15,339	16,597
Offset	(11,614)	(11)	(11,620)	0
	<u>4,927</u>	<u>18,960</u>	<u>3,719</u>	<u>16,597</u>
Selepas offset	<u>4,927</u>	<u>18,960</u>	<u>3,719</u>	<u>16,597</u>

26 ASET-ASET/(LIABILITI-LIABILITI) CUKAI TERTUNDA (samb.)

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Liabiliti-liabiliti cukai tertunda				
Hartanah, loji dan peralatan - sebelum offset	(11,714)	(925)	(11,620)	0
Offset	11,614	11	11,620	0
Selepas offset	<u>(100)</u>	<u>(914)</u>	<u>0</u>	<u>0</u>

Jumlah bagi perbezaan sementara yang boleh ditolak dan kerugian cukai yang tidak digunakan (kedua-duanya tidak mempunyai tempoh luput) di mana tiada aset-aset cukai tertunda dikenalpasti di dalam kunci kira-kira seperti berikut:

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Perbezaan sementara yang boleh ditolak	13,391	7,392	0	0
Kerugian cukai	80,729	67,656	0	0
	<u>94,120</u>	<u>75,048</u>	<u>0</u>	<u>0</u>

Perbezaan sementara yang boleh ditolak dan kerugian cukai belum digunakan adalah tidak terhad untuk dioffset ke atas cukai keuntungan hadapan anak-anak syarikat dalam Kumpulan, merujuk kepada persetujuan dengan Lembaga Hasil Dalam Negeri. Aset-aset cukai tertunda tidak diiktiraf dalam perbezaan sementara yang boleh ditolak dan kerugian cukai belum digunakan sekiranya anak-anak syarikat dalam Kumpulan pernah merekodkan kerugian, dan tidak beroperasi.

27 MODAL SAHAM

	Kumpulan dan Syarikat 2006 RM'000	2005 RM'000
Dibenarkan		
Saham-saham biasa pada harga RM1.00 setiap satu	<u>500,000</u>	<u>500,000</u>
Diterbit dan dibayar sepenuhnya		
Saham-saham biasa pada harga RM1.00 setiap satu:		
Pada awal tahun kewangan	217,228	217,218
Diterbitkan dalam tahun kewangan		
- pelaksanaan opsyen-opsyen saham	0	10
Pada akhir tahun kewangan	<u>217,228</u>	<u>217,228</u>
Premium saham hasil daripada pelaksanaan opsyen saham	<u>0</u>	<u>31</u>

27 MODAL SAHAM (samb.)

Pergerakan di dalam opsyen-opsyen saham yang dilanggan adalah seperti berikut:

	Jumlah opsyen-opsyen saham biasa Pada harga RM1.00 setiap satu		
	Harga opsyen pada RM4.05 sesaham	Harga opsyen pada RM3.55 sesaham	Harga opsyen pada RM3.51 sesaham
Pada 1 Januari 2006	17,569,600	601,300	450,000
Dilaksanakan	(797,000)	(105,000)	0
Pada 31 Disember 2006	<u>16,772,600</u>	<u>496,300</u>	<u>450,000</u>

Tempoh pelaksanaan opsyen saham ini tamat pada 27 Januari 2009. Semua saham biasa berkaitan ESOS bertaraf "pari passu" dalam semua keadaan dengan saham-saham yang sedia ada di dalam Syarikat.

Kumpulan dan Syarikat telah mengambil peluang atas peralihan peruntukan FRS2 - Bayaran berasaskan saham berkaitan pemberian instrumen ekuiti selepas 31 Disember 2004 dan tidak diletakhak pada 1 Januari 2006, dan dengan itu, tidak mengiktiraf sebarang perbelanjaan dalam tahun kewangan semasa.

28 KEUNTUNGAN TERTAHAN

Bergantung kepada kebenaran daripada Lembaga Hasil Dalam Negeri, Syarikat mempunyai cukup kredit cukai di bawah Seksyen 108 di bawah Akta Cukai Pendapatan, 1967 untuk diselaraskan dengan keuntungan tertahan pada 31 Disember 2006 sekiranya bayaran dividen dibuat.

29 PERUBAHAN-PERUBAHAN DI DALAM DASAR-DASAR PERAKAUNAN

Senarai piawaian perakaunan baru, pindaan kepada piawaian yang diterbitkan dan interpretasi kepada piawaian sedia ada yang mempengaruhi tahun kewangan Kumpulan dan Syarikat pada atau 1 Januari 2006 dinyatakan di dalam Nota 2(a) penyata kewangan.

Impak piawaian baru, pindaan dan interpretasi ke atas penyata kewangan Syarikat dinyatakan seperti berikut.

(a) Tidak berkaitan atau tidak mempengaruhi penyata kewangan.

Pematuhan FRS 1, 101, 102, 108, 110, 116, 127, 128, 131, 132, 133, 140, perubahan 'siling aset' FRS 119₂₀₀₄ dan IC tidak memberi impak ke atas penyata kewangan Kumpulan dan Syarikat. Secara ringkas:

- FRS 1 dan perubahan kepada FRS 119₂₀₀₄ tidak berkaitan kepada operasi Kumpulan dan Syarikat.
- FRS 102, 108, 110, 116, 127, 128, 131, 132, 133, 140 dan IC tidak memberi impak ke atas dasar-dasar Kumpulan dan Syarikat.

(b) FRS 2 - Bayaran berasaskan saham

Pematuhan FRS 2 telah menyebabkan perubahan di dalam dasar perakaunan untuk bayaran berasaskan saham. Di dalam tahun kewangan lepas, peruntukan opsyen saham kepada pekerja-pekerja tidak menyebabkan caj ke atas penyata pendapatan. Pematuhan FRS 2, Kumpulan dan Syarikat mengiktiraf nilai saksama opsyen saham sebagai perbelanjaan di dalam penyata pendapatan ke atas tempoh letakhak pemberian selaras dengan pertambahan dalam ekuiti. Dasar perakaunan baru adalah akan digunakan kepada opsyen saham yang diberikan selepas 1 Januari 2006.

Tiada opsyen saham baru yang diberikan dalam tahun kewangan dan opsyen saham yang diberikan sebelum ini (seperti dinyatakan dalam Nota 27 kepada penyata kewangan) telah diletakhak sepenuhnya pada tarikh kuatkuasa FRS ini.

Dengan itu, tiada impak ke atas penyata pendapatan sebelum dan semasa Kumpulan dan Syarikat.

(c) FRS 117 - Pajakan

Kumpulan dan Syarikat telah mematuhi FRS 117 yang mengklasifikasikan tanah pajakan sebagai bayaran pajakan prabayar.

29 PERUBAHAN DI DALAM DASAR-DASAR PERAKAUNAN (samb.)

(d) **FRS 3 - Kombinasi Perniagaan, FRS 136 - Penurunan Nilai Aset dan FRS 138 - Aset Tidak Ketara**

(i) **Muhibah**

Pematuhan FRS 3, FRS 136 dan 138 telah menyebabkan perubahan dalam dasar perakaunan terhadap muhibah mulai 1 Januari 2006. Polisi baru ini juga digunakan terhadap kombinasi perniagaan bersama tarikh perjanjian pada atau selepas 1 Januari 2006.

Menurut peruntukan FRS 3:

- pelunasan muhibah akan diberhentikan mulai 1 Januari 2006;
- muhibah dinyatakan pada pengurangan penurunan nilai terkumpul, dan diuji penurunan nilai tahunan termasuk menandakan bahawa muhibah mungkin mengalami penurunan nilai.

Sehingga 31 Disember 2005, muhibah yang wujud daripada tahun sebelum pengambilalihan hendaklah dihapus kira terhadap keuntungan tertahan Kumpulan.

Oleh kerana itu, tiada impak terhadap perubahan dalam dasar perakaunan pada penyata kewangan tahun sebelum dan tahun semasa tahun kewangan Kumpulan.

(e) **FRS 5 - Aset-aset Bukan Semasa Dipegang untuk dijual dan Pembentangan Penamatan Kendalian**

Pematuhan FRS 5 menyebabkan aset-aset yang diklasifikasikan semula sebagai "aset-aset dipegang untuk dijual" dan dinyatakan pada yang mana lebih rendah antara jumlah dibawa atau nilai saksama ditolak kos untuk dijual jika jumlah dibawa boleh ditebus semula melalui transaksi jualan dan bukan penggunaan berterusan. Aset-aset yang dipegang untuk dijual tidak lagi disusutnilai berdasarkan kriteria tertentu.

(f) **Pengklasifikasian semula perbandingan tahun sebelum**

Perubahan dalam dasar-dasar perakaunan di bawah memutuskan dalam mengklasifikasikan semula perbandingan tahun sebelum tetapi tidak menunjukkan kepada pengiktirafan dan penilaian aset bersih Kumpulan dan Syarikat:

- dibawah FRS 101, perkongsian perbelanjaan cukai Kumpulan bagi syarikat-syarikat bersekutu hendaklah ditunjukkan.
- FRS 140 memutuskan dalam pengklasifikasian semula tanah dan bangunan tertentu daripada hartanah, loji dan peralatan kepada pelaburan hartanah.

Kesan piawaian di atas terhadap penyata kewangan Kumpulan dan Syarikat kepada kewangan semasa dan kewangan sebelum dinyatakan di Nota 29 (g).

(g) **Penyataan semula kunci kira-kira pada 31 Disember 2006**

Jadual di bawah menunjukkan pelarasan yang telah dibuat berdasarkan keadaan dan peruntukan baru bagi setiap FRS yang disenaraikan dalam kunci kira-kira pada 31 Disember 2006 Kumpulan dan Syarikat.

	Seperti laporan sebelum RM'000	<-----Diklasifikasikan semula Nota 29(c)/(f) -----> Diklasifikasikan semula RM'000	FRS 140 RM'000	FRS 117 RM'000	Seperti dinyatakan semula RM'000
Kumpulan					
Pada 31 Disember 2005					
Hartanah, loji dan peralatan	723,296	(44,561)	0	0	678,735
Pelaburan hartanah	0	0	37,980	0	37,980
Bayaran pajakan terdahulu					
- semasa	0	0	0	1,230	1,230
- bukan semasa	0	0	0	5,351	5,351
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Syarikat					
Pada 31 Disember 2005					
Hartanah, Loji dan Peralatan	690,173	(12,133)	0	0	678,040
Pelaburan hartanah	0	0	8,015	0	8,015
Bayaran pajakan terdahulu					
- semasa	0	0	0	1,195	1,195
- bukan semasa	0	0	0	2,923	2,923
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

30 TUNAI DAN PERSAMAAN TUNAI

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Baki-baki di bank dan deposit (Nota 23)	27,887	13,717	26,975	10,666
Tolak: Baki-baki di bank dan deposit yang dipegang untuk derma umum (Nota 23)	(1,000)	(1,000)	(1,000)	(1,000)
	<u>26,887</u>	<u>12,717</u>	<u>25,975</u>	<u>9,666</u>

31 BAKI DAN URUS NIAGA PENTING ANTARA PIHAK BERKAITAN
(a) Baki-baki penting pihak berkaitan

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Bukan aset semasa				
Jumlah hutang daripada anak syarikat	<u>0</u>	<u>0</u>	<u>30,835</u>	<u>32,383</u>
Aset semasa				
Jumlah hutang daripada anak-anak syarikat	0	0	60,256	56,581
Tolak: Elaun hutang ragu	0	0	(59,204)	(55,385)
	<u>0</u>	<u>0</u>	<u>1,052</u>	<u>1,196</u>
Pendahuluan kepada anak-anak syarikat	0	0	10,881	11,031
Tolak: Elaun hutang ragu	0	0	(10,881)	(10,496)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>535</u>
Jumlah hutang daripada syarikat syarikat bersekutu	19,160	20,693	0	0
Tolak: Elaun hutang ragu	(19,160)	(20,693)	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>1,052</u>	<u>1,731</u>

Jumlah hutang daripada anak-anak syarikat adalah tidak bercagar, tiada faedah dan tiada tempoh pembayaran balik yang tetap, kecuali untuk jumlah bukan semasa di mana tiada pembayaran balik perlu dibuat di dalam tempoh 12 bulan dari tarikh kunci kira-kira.

Pendahuluan kepada anak syarikat adalah tidak bercagar dan tiada mempunyai tempoh pembayaran balik yang tetap. Tiada faedah dikenakan ke atas pendahuluan kepada anak-anak syarikat di dalam tahun kewangan.

Jumlah hutang dari syarikat bersekutu adalah tidak bercagar, tiada faedah dan tiada mempunyai tempoh pembayaran balik yang tetap.

31 BAKI DAN URUS NIAGA PENTING ANTARA PIHAK BERKAITAN (samb.)

(a) Baki-baki penting pihak berkaitan (samb.)

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Liabiliti tidak semasa				
Jumlah hutang kepada anak syarikat	0	0	0	507,512
Liabiliti semasa				
Jumlah hutang kepada anak-anak syarikat	0	0	10,659	7,242
Pendahuluan daripada anak-anak syarikat	0	0	1,900	2,257
	<u>0</u>	<u>0</u>	<u>12,559</u>	<u>9,499</u>

Jumlah hutang kepada dan pendahuluan daripada anak-anak syarikat adalah tidak bercagar, tiada faedah dan tiada tempoh pembayaran balik yang tetap, kecuali untuk jumlah bukan semasa di mana tiada pembayaran balik akan dibuat di dalam tempoh 12 bulan dari tarikh kunci kira-kira.

(b) Urus niaga penting pihak berkaitan

Kumpulan telah mengurus niaga dengan Media Prima Berhad ("MPB") dan anak-anak syarikatnya ("Kumpulan MPB") yang dikira mempunyai kaitan menerusi pegangan saham-saham utama Syarikat oleh MPB.

Urus niaga-urus niaga di antara pihak berkaitan yang dinyatakan di bawah telah dilakukan berdasarkan terma-terma dan harga-harga yang telah dipersetujui di antara pihak-pihak berkaitan.

	2006 RM'000	Kumpulan 2005 RM'000
Jualan kepada Kumpulan MPB	45	686
Pembelian daripada Kumpulan MPB	<u>0</u>	<u>65</u>

32 LIABILITI-LIABILITI LUAR JANGKA

Terdapat beberapa saman fitnah yang melibatkan tuntutan ke atas Kumpulan dan Syarikat yang mana keputusan dan kemungkinan pampasan, jika ada, tidak dapat ditentukan pada masa ini. Tiada peruntukan yang telah dibuat di dalam penyata-penyata kewangan pada 31 Disember 2006 kerana para Pengarah berpendapat bahawa tuntutan-tuntutan tersebut tidak berasas. Para Pengarah tidak menjangkakan sebarang keputusan daripada tuntutan-tuntutan ini memberi kesan yang material kepada kedudukan kewangan Kumpulan dan Syarikat.

33 PENGLIBATAN MODAL

	2006 RM'000	Kumpulan 2005 RM'000	2006 RM'000	Syarikat 2005 RM'000
Hartanah, loji dan peralatan:				
- dibenarkan oleh Pengarah dan telah dikontrak	389	15,402	389	15,402
- dibenarkan oleh Pengarah tetapi belum dikontrak	41,163	41,253	38,941	36,202
	<u>41,552</u>	<u>56,655</u>	<u>39,330</u>	<u>51,604</u>

Bahagian penglibatan modal Kumpulan dalam syarikat-syarikat bersekutu berkaitan hartanah, loji dan peralatan berjumlah RM1,868,000 (2005: RM4,290,000)

34 LAPORAN SEGMENT

Dalam tahun kewangan, Kumpulan hanya mempunyai satu segmen perniagaan utama:

- Penerbitan akhbar - penerbitan dan penjualan akhbar

Lain-lain operasi Kumpulan adalah terutamanya merangkumi mengagihkan akhbar dan majalah, perkhidmatan atas talian berdasarkan internet, pemegang pelaburan dan perkhidmatan pengurusan hartanah, yang mana terlalu kecil untuk dilaporkan secara berasingan.

	Penerbitan Akhbar RM'000	Lain-lain RM'000	Penghapusan RM'000	Kumpulan RM'000
Tahun kewangan berakhir 31 Disember 2006				
Perolehan				
Perolehan luaran	519,472	591	0	520,063
Perolehan antara segmen	77,997	2,533	(80,530)	0
Jumlah perolehan	<u>597,469</u>	<u>3,124</u>	<u>(80,530)</u>	<u>520,063</u>
Keputusan				
Keputusan segmen	44,122	(1,455)	0	42,667
Kos kewangan - bersih				(10,772)
Bahagian keputusan syarikat bersekutu	6,017			6,017
Percukaian				(13,351)
Keuntungan bersih bagi tahun kewangan				<u>24,561</u>
		Penerbitan Akhbar RM'000	Lain-lain RM'000	Kumpulan RM'000
Pada 31 Disember 2006				
Aset bersih				
Aset-aset segmen		1,220,437	2,539	1,222,976
Jumlah aset				<u>1,222,976</u>
Liabiliti-liabiliti segmen		212,155	78,260	290,415
Jumlah liabiliti				<u>290,415</u>
Tahun berakhir 31 Disember 2006				
Perbelanjaan modal		20,943	566	21,509
Susutnilai dan pelunasan		40,561	716	41,277

34 LAPORAN SEGMENT (samb.)

	Penerbitan Akhbar RM'000	Lain-lain RM'000	Penghapusan RM'000	Kumpulan RM'000
Tahun kewangan berakhir 31 Disember 2005				
Perolehan				
Perolehan luaran	528,864	2,820	0	531,684
Perolehan antara segmen	68,553	2,539	(71,092)	0
Jumlah perolehan	<u>597,417</u>	<u>5,359</u>	<u>(71,092)</u>	<u>531,684</u>
Keputusan				
Keputusan segmen	35,279	(326)	0	34,953
Kos kewangan - bersih				(12,127)
Bahagian keputusan syarikat bersekutu	6,481			6,481
Percukaian				(16,903)
Keuntungan bersih bagi tahun kewangan				<u>12,404</u>

	Penerbitan Akhbar RM'000	Lain-lain RM'000	Kumpulan RM'000
Pada 31 Disember 2005			
Aset bersih			
Aset-aset segmen		1,204,958	1,211,265
Syarikat bersekutu		(6,215)	(738)
Jumlah aset			<u>1,210,527</u>
Liabiliti-liabiliti segmen		795,259	295,141
Jumlah liabiliti			<u>295,141</u>

Tahun berakhir 31 Disember 2005

Perbelanjaan modal	10,222	281	10,503
Susutnilai dan pelunasan	43,362	1,077	44,439

(a) Format laporan utama – segmen perniagaan

Aset-aset segmen mengandungi terutamanya hartanah, loji dan peralatan, inventori-inventori, aset-aset cukai tertunda, dagangan belum terima daripada operasi dan tunai. Liabiliti-liabiliti segmen merangkumi liabiliti operasi.

Perbelanjaan modal merangkumi penambahan kepada hartanah, loji dan peralatan (Nota 14).

(b) Format laporan sampingan – segmen geografi

Analisis maklumat kewangan mengikut segmen geografi tidak dibentangkan kerana aktiviti-aktiviti Kumpulan dijalankan terutamanya di dalam Malaysia.

35 ANAK-ANAK SYARIKAT DAN SYARIKAT-SYARIKAT BERSEKUTU

Keentingan ekuiti Kumpulan dalam anak-anak syarikat dan syarikat-syarikat bersekutu, aktiviti-aktiviti utama mereka dan negara penubuhan masing-masing adalah seperti berikut:

Anak-anak Syarikat

Nama Syarikat	Aktiviti utama	Negara Penubuhan	Keentingan Kumpulan	
			2006 %	2005 %
Asia Pacific Enterprise Computing Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Asia Pacific Risk Management Centre Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Basshill Holdings Limited	Pemegang Pelaburan	British Virgin Islands	100.0	100.0
Berita Book Centre Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Berita Harian Sdn Berhad	Menyediakan khidmat editorial Bahasa Malaysia	Malaysia	100.0	100.0
Berita Information Systems Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Beriteks Sdn Berhad	Tidak beroperasi	Malaysia	100.0	100.0
Bisofware Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Q-Distribution Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
BT Information Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Business Times (Malaysia) Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
IT Publications Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Marican Sdn Berhad	Tidak beroperasi	Malaysia	100.0	92.5
New Straits Times Sdn Berhad	Menyediakan khidmat editorial Bahasa Inggeris	Malaysia	100.0	100.0
New Straits Times Technology Sdn Bhd	Pemegang Pelaburan	Malaysia	100.0	100.0
NSTP e-Media Sdn Bhd	Perkhidmatan atas talian berdasarkan internet	Malaysia	100.0	100.0
The Right Channel Sdn Bhd	Mengurus, menjual dan penyeliaan iklan luaran untuk billboard dan transit	Malaysia	100.0	100.0
MMC-Ad Sdn. Bhd.	Pengiklanan media	Malaysia	100.0	100.0

35 ANAK-ANAK SYARIKAT DAN SYARIKAT-SYARIKAT BERSEKUTU (samb.)

Anak-anak Syarikat

Nama Syarikat	Aktiviti utama	Negara Penubuhan	Kepentingan Kumpulan	
			2006 %	2005 %
Media Master Industries (M) Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Malay Mail Sdn. Bhd. (dahulu dikenali Open Solutions Sdn Bhd)	Penerbitan dan penjualan akhbar Bahasa Inggeris	Malaysia	100.0	100.0
Pitisan Sdn Berhad	Pemegang Pelaburan (dibubarkan semasa tahun kewangan)	Malaysia	0	100.0
Rampaian Media Sdn Bhd	Tidak beroperasi	Malaysia	100.0	100.0
Shin Min Publishing (Malaysia) Sdn Bhd	Tidak beroperasi	Malaysia	89.6	89.6
The New Straits Times Properties Sdn Bhd	Perkhidmatan pengurusan hartanah	Malaysia	100.0	100.0
Times of Malaysia Limited	Tidak beroperasi (dibubarkan pada Januari 2006)	United Kingdom	0	100.0
Worldbase Investments Limited	Pemegang Pelaburan	British Virgin Islands	100.0	100.0

Syarikat-syarikat Bersekutu

Akademi Penulisan dan Penerbitan Pena Sdn Bhd	Tidak beroperasi	Malaysia	25.0	25.0
Asia Magazines Limited	Tidak beroperasi	Hong Kong	26.9	26.9
Business Day Co. Ltd.	Penerbitan akhbar harian kewangan Bahasa Inggeris	Thailand	47.5	47.5
Malaysian Newsprint Industries Sdn Bhd	Pengilangan dan kertas suratkhbar dan produk yang berkaitan dengan kertas	Malaysia	21.4	21.4
Thai Metro Media Group Co. Ltd	Pemegang Pelaburan	Thailand	49.0	49.0
Laras Perkasa Sdn Bhd	Tidak beroperasi	Malaysia	30.0	30.0
Smart News Network International Sdn Bhd	Tidak beroperasi	Malaysia	25.0	25.0

36 PERISTIWA PENTING SELEPAS KUNCI KIRA-KIRA

Pada 30 November 2006, Syarikat telah menandatangani perjanjian penjualan saham dengan pemegang saham utama, Media Prima Berhad ("MPB"), bagi melupuskan kepentingan ekuiti dalam The Right Channel ("TRC"), milik penuh anak syarikat, untuk pertimbangan tunai RM1. Tambahan lagi, MPB berusaha untuk mendapatkan RM3,500,000 dari pendahuluan hutang TRC kepada Syarikat sebanyak RM1,500,000 dibayar pada tarikh penyelesaian, dan baki sebanyak RM2,000,000 akan dibayar sebelum atau pada ulangtahun pertama daripada tarikh penyelesaian. Pelupusan TRC kepada MPB telah selesai pada 28 Februari 2007.

Setelah pelupusan TRC, pelaburan dalam TRC diklasifikasikan semula daripada pelaburan di dalam anak syarikat kepada aset-aset bukan semasa dipegang untuk dijual dinilai pada nilai dibawa berdasarkan peruntukan FRS 5 (Nota 19). Tambahan pula, MMC-Ad Sdn Bhd dan Media Master Industries Sdn Bhd, di mana kedua-duanya adalah anak syarikat TRC, telah berhenti menjadi anak syarikat kepada Syarikat bermula 28 Februari 2007.

37 DIVIDEN

	Dividen kasar sesaham RM	2006 Jumlah dividen, ditolak cukai RM'000	Kumpulan dan Syarikat 2005	
			Dividen kasar sesaham RM	Jumlah dividen, ditolak cukai RM'000
Dividen akhir dibayar bagi tahun-tahun kewangan berakhir 31 Disember 2005/2004	0.05	7,821	0.05	7,821

Pada Mesyuarat Agung Tahunan akan datang, dividen khas dan dividen kasar akhir bagi tahun 31 Disember 2006 sebanyak 10 sen sesaham (2005: 5 sen sesaham), ditolak 27% cukai pendapatan (2005: 28%), berjumlah RM15,858,000 (2005: RM7,821,000) akan dicadangkan untuk kelulusan pemegang-pemegang saham. Penyata kewangan ini tidak mengambil kira dividen akhir ini yang akan diperuntukkan sebagai tanggungan dalam tahun kewangan berakhir 31 Disember 2007 setelah diluluskan oleh pemegang-pemegang saham.

38 KELULUSAN PENYATA KEWANGAN

Penyata kewangan ini telah diluluskan untuk dikeluarkan selaras dengan resolusi Lembaga Pengarah pada 16 April 2007.

Modal Saham Dibenarkan	: RM500,000,000
Modal Saham Terbitan dan Berbayar Penuh	: RM217,227,804
Jenis Saham	: Saham Biasa bernilai RM1.00 setiap satu
Bilangan Pemegang Saham	: 5,795 Pemegang Saham
Hak Mengundi	: 1 undi untuk setiap Saham Biasa

PENGAGIHAN PEGANGAN SAHAM PADA 30 MAC 2007

Saiz Pegangan Saham	Bilangan Pemegang Saham	%	Bilangan Saham Dipegang	%
< 100	131	2.26	3,242	0.00
100-1,000	1,878	32.41	1,701,626	0.78
1,001-10,000	3,013	51.99	12,298,457	5.66
10,001 - 100,000	689	11.89	18,743,361	8.64
100,001 < 5% saham terbitan	81	1.40	64,433,278	29.66
5% dan lebih daripada saham terbitan	3	0.05	120,047,840	55.26
Jumlah	5,795	100.00	217,227,804	100.00

SAHAM YANG DIPEGANG OLEH PENGARAH PADA 30 MAC 2007

Tiada pengarah yang memegang saham di dalam The New Straits Times Press (Malaysia) Berhad secara langsung atau tidak langsung, kecuali Y Bhg Dato' Hishamuddin bin Aun yang memegang 5,000 Saham Biasa secara langsung.

PEMEGANG SAHAM UTAMA PADA 30 MAC 2007

Pemegang Saham Utama	Berkepentingan langsung	%	Berkepentingan tidak langsung	%
Media Prima Berhad	94,035,540 *	-	-	43.29
Gabungan Kesturi Sdn Bhd	-	-	94,035,540 **	43.29
Amanah Raya Berhad	-	-	94,035,540 ***	43.29
Employees Provident Fund Board	36,840,100#	16.96	-	-

* Dipegang melalui syarikat-syarikat nomini.

** Dianggap berkepentingan menerusi kepentingan ekuiti 13.20% dalam Media Prima Berhad.

*** Dianggap berkepentingan menerusi kepentingan ekuiti 100% dalam Gabungan Kesturi Sdn Bhd.

Dipegang sendiri dan sebahagiannya melalui syarikat-syarikat nomini yang dikendalikan oleh pengurus portfolio.

No.	Nama	Bilangan Saham	%
1.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Media Prima Berhad(CASS))	71,548,767	32.94
2.	Employees Provident Fund Board	26,012,300	11.97
3.	AMMB Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for AmTrustee Berhad Media Prima Berhad – Exchangeable Bonds)	22,486,773	10.35
4.	Cartaban Nominees (Tempatan) Sdn Bhd (Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404))	7,188,400	3.31
5.	Kumpulan Wang Amanah Pencen	6,389,000	2.94
6.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C))	5,984,700	2.76
7.	Permodalan Nasional Berhad	4,156,300	1.91
8.	Citigroup Nominees (Asing) Sdn Bhd (Exempt Authorised Nominee for American International Assurance Company Limited)	3,393,900	1.56
9.	AM Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (A/C1))	3,286,200	1.51
10.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (H))	3,265,200	1.50
11.	Khazanah Nasional Berhad	2,427,000	1.12
12.	Citigroup Nominees (Asing) Sdn Bhd (CBNY for DFA Emerging Markets Fund)	1,655,100	0.76
13.	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	1,492,500	0.69
14.	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for Prudential Assurance Malaysia Berhad)	1,267,800	0.58
15.	Lembaga Tabung Angkatan Tentera	1,254,800	0.58

No.	Nama	Bilangan Saham	%
16.	Universiti Malaya	1,187,500	0.55
17.	Malaysia Nominees (Tempatan) Sendirian Berhad (Amanah SSCM Asset Management Berhad for Amanah Millenia Fund Berhad (JM730))	1,160,500	0.53
18.	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1))	1,142,500	0.53
19.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Skim Amanah Saham Bumiputra)	1,088,200	0.50
20.	Cartaban Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for Amanah SSCM Nominees (Tempatan) Sdn Bhd (Account 1))	913,200	0.42
21.	Citigroup Nominees (Asing) Sdn Bhd (CBNY for DFA Emerging Markets Small Cap Series)	749,600	0.35
22.	Cartaban Nominees (Tempatan) Sdn Bhd (Petronas for Petronas Retirement Benefit Scheme)	733,300	0.34
23.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt Authorised Nominee for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT))	600,200	0.28
24.	DB (Malaysia) Nominee (Asing) Sdn Bhd (BNP Paribas Nominees Singapore Pte Ltd for Ngan Tang Joo)	600,000	0.28
25.	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustee Berhad for MAAKL Eagle Fund (250283))	560,000	0.26
26.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (B))	542,200	0.25
27.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB-Principal Asset Management Berhad for Pensions Trust Fund Council)	469,000	0.22
28.	Summit Holdings Sdn Bhd	420,000	0.19
29.	A.A. Anthony Nominees (Asing) Sdn Bhd (Pledged Securities Account for Citibase Limited)	413,200	0.19
30.	HSBC Nominees (Asing) Sdn Bhd (BNY Brussels for City of New York Group Trust)	409,500	0.19

IBU PEJABAT

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PEJABAT-PEJABAT CAWANGAN

ALOR SETAR

No. 101 & 103, Komplek Alor Setar,
Lebuh Raya Darul Aman,
05250 Alor Setar, Kedah Darul Aman.
Tel: 04-7310526 Fax: 04-7338020

BATU PAHAT

No. 97 (Ground Floor),
Jalan Kluang, Taman Rasa Sayang,
83200 Batu Pahat,
Johor Darul Takzim.
Tel: 07-4314949 Fax: 07-4311886

IPOH

No. 29, Jalan Hussein, 30250 Ipoh,
Perak Darul Ridzuan.
Tel: 05-2540323 Fax: 05-2254049

JOHOR BAHRU

No. 88A-88B, Jalan Padi 1,
Bandar Baru UDA, 81200 Johor Bahru,
Johor Darul Takzim.
Tel: 07-2383333 Fax: 07-2380025

No 85, Jalan Maju,
Taman Maju Jaya,
80400 Johor Bahru,
Johor Darul Takzim.
Tel: 07-3311821 Fax: 07-3314240

KANGAR

No. 20, Tingkat 1, Komplek PKNP,
Jalan Seruling, 01000 Kangar,
Perlis Indra Kayangan.
Tel: 04-9763993 Fax: 04-9766232

KLANG

No. 9, Jalan Pulau Pinang 2,
New City Business Centre,
Batu 1 1 /2, Off Jalan Meru,
40150 Klang, Selangor Darul Ehsan.
Tel: 03-3452472 Fax: 03-3452451

KOTA BHARU

Lot 184, Jalan Kuala Krai,
15150 Kota Bharu,
Kelantan Darul Naim.
Tel: 09-7449301 Fax: 09-7487746

KOTA KINABALU

Lot 65, Block G, Asia City,
88000 Kota Kinabalu, Sabah.
Tel: 088-213552 Fax: 088-224916

KUALA TERENGGANU

No. 1107 U, Jalan Pejabat,
20200 Kuala Terengganu,
Terengganu Darul Iman.
Tel: 09-6223744 Fax: 09-6223542

KUANTAN

No. 1, Jalan Rusa Satu, Off Jalan Bukit Ubi,
25200 Kuantan, Pahang Darul Makmur.
Tel: 09-5138382 Fax: 09-5142823

KUCHING

Lot 8130, Seksyen 64,
104, Lorong Datuk Abang Abdul Rahim 10,
93450 Kuching, Sarawak.
Tel: 082-339323 Fax: 082-336706

MELAKA

Lot 235, Jalan Taman,
Taman Melaka Raya, 75000 Melaka.
Tel: 06-2822706 Fax: 06-2839876

MIRI

Lot 284, Tingkat 3, Jalan Temenggong,
Oyong Lawai Zau, 98000 Miri, Sarawak.
Tel: 085-420139 Fax: 085-430139

MUAR

No. 55-4(Ground Floor) Jalan Bentayan, Muar,
Johor Darul Takzim.

PETALING JAYA

No. 24, Jalan SS2/61,
47300 Petaling Jaya, Selangor Darul Ehsan.
Tel: 03-78756443 Fax: 03-7741463

PULAU PINANG

No. 33, Jalan Sultan Ahmad Shah,
10050 Penang.
Tel: 04-2270634 Fax: 04-2260526

PUTRAJAYA

Blok A - T. 02 - U. 08, Jalan P8 C/2
Precinct 8, 62250 Putrajaya
Wilayah Persekutuan

SEREMBAN

No 89, Jalan Toman 5,
Kemayan Square
Off Jalan Sungai Ujung,
Seremban
Tel: 06-7623781 Fax: 06-7642826

TRAINING CENTRE

(Sri Pena) Lot 1024, KM 13,
Telok Kemang, 71050 Sri Rusa, Port Dickson,
Negeri Sembilan Darul Khusus.
Tel: 06-6626006 Fax: 06-6626080

No.	Tempat	Hakmilik	Saiz	Perihal	Anggaran usia bangunan (tahun)	Nilai buku bersih (RM'000)	Tahun pengambil-alihan
1	No.16, Jln U8/88, Bukit Jelutong Ind.Park, 40000 Shah Alam, Selangor	Pegangan bebas	141,691 meter persegi	Loji percetakan daerah	6	109,554	1995
2	9, Jalan Liku, Kuala Lumpur	Pegangan bebas	6,900 meter persegi	Ruang pejabat	15	36,738	1988
3	Lot PL02, Kawasan Zon Perdagangan Bebas, Senai, Johor	Pegangan pajakan Luput : 2043	62,560 meter persegi	Loji percetakan daerah	9	23,721	1997
4	Kawasan Perindustrian Ajil, Hulu Terengganu, Terengganu	Pegangan pajakan Luput : 2057	58,436 meter persegi	Loji percetakan daerah	6	21,455	1998
5	Mukim 1, Kawasan Perusahaan Prai, Seberang Prai, Pulau Pinang	Pegangan pajakan Luput : 2035	8,100 meter persegi	Loji percetakan daerah	6	15,957	1998
6	Lot 33, Jln Sultan Mohamed 1, Jln Lebu 1, Kaw.Perindustrian Bandar Sultan Sulaiman, Pelabuhan Klang Utara, Klang, Selangor	Pegangan pajakan Luput : 2091	12,746 meter persegi	Gudang	15	10,317	1991
7	31, Jalan Riong Off Jalan Bangsar, Kuala Lumpur	Pegangan bebas	7,820 meter persegi	Ibu pejabat	34	7,653	1972
8	Lot No. 323,324 & 325, Jln Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur	Pegangan pajakan Luput : 2085	1,859 meter persegi	5 tingkat kedai pejabat	20	6,544	1994
9	Lot 70, Hicom/Glenmarie, Industrial Park, Selangor	Pegangan bebas	10,805 meter persegi	Tanah perindustrian (Kosong)	-	4,901	1999
10	Lot 1.65-1.68, 1.70-1.73 Lot K1.01 & K1.04 South City Plaza, Seri Kembangan, Selangor	Pegangan pajakan Luput : 2093	439 meter persegi 36 meter persegi	Lot kedai runcit Kiosk runcit	4	3,546	1997 2001



NSTP

LAPORAN
TAHUNAN
2006
ANNUAL
REPORT

Kris - tidak risau
perasingan

hal 6



Wang kertas tiada
nilai modal 'Tan Sri'

hal 9



Sindiket jual air
Zanzibar campuran

hal 26

Harian Metro

Selasa, 10 Oktober 2006
(1 Oktober 1127)



RM 1.00
Kuala Lumpur RM 1.20
Johor Bahru RM 1.20



Budak maut direndam

SERI KEMBANGAN: Pada 20 September lalu, seorang lelaki merendam anak toman wanitanya yang berusia tiga setengah tahun ke dalam baldi sehingga mati. Kekejaman itu disedari ibu kanak-kanak itu, tetapi kerana diugut, dia berdiam diri. **hal 10**



1,000 penghuni flat pindah akibat tanah runtuh

Macam histeria

> KUALA LUMPUR: "Semua penduduk flat menjent dan lari bertemparan. Keadaan menjadi kelam kabut hingga ada yang terjatuh ketika menuruni tangga," kata Hassan Abu Talib, 43, seorang daripada 1,000 penghuni flat di Soksyen 10 Wangsa Maju yang bergegar selepas tanah runtuh, malam tadi. **hal 2**

Isn't Mawi handsome?



Whoa, my school is in Harian Metro!

Going, going fast!



Advertise? Sure! What size?



Ah, great! Road tax price has gone down.



I'm curious too, you know!



Come! Your Harian Metro is here!



"...with 2.5 million readership daily, I certainly won't miss the opportunity to advertise my products in Harian Metro"

Datuk James Selvaraj
Senior Marketing Manager, Bata Malaysia



Rationale



Headlines, as synonymous as front covers, are made for all the deserving reasons. From this, the idea for the 2006 annual report cover is born.

The revamp of Harian Metro was instrumental in propelling the paper to the forefront. To date, its uniqueness, uncompromising content and excellent standard of delivery serve to anchor its spot as the No. 1 Malay language daily.

What better way to wear this emblem of honour than completely embracing the look and feel of the newspaper; in a genuine tribute to the hard work and success.

Indeed, Harian Metro is the pride of NSTP.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-fifth Annual General Meeting of The New Straits Times Press (Malaysia) Berhad ("the Company") will be held at the Theatre of the Company, 5th Floor, Balai Berita (Anjung Riong), 31 Jalan Riong, 59100 Kuala Lumpur on Thursday, 17 May 2007 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2006 and the reports of the Directors and Auditors thereon. **(Resolution 1)**
 2. To approve payment of a special dividend of five (5) sen per share and a final dividend of five (5) sen per share for a total dividend of ten (10) sen per share less 27% tax for the financial year ended 31 December 2006. **(Resolution 2)**
 3. To re-elect the following Directors who retire in accordance with Article 108 of the Company's Articles of Association, and being eligible have offered themselves for re-election:-
 - i) Y Bhg Dato' Zolkipli bin Abdul **(Resolution 3)**
 - ii) Y Bhg Dato' Seri Mohamed Jawhar **(Resolution 4)**
 - iii) Y Bhg Dato' Abdul Mutalib bin Mohamed Razak **(Resolution 5)**
 4. To re-elect Y Bhg Dato' Hishamuddin bin Aun who retires in accordance with Article 113 of the Company's Articles of Association, and being eligible has offered himself for re-election. **(Resolution 6)**
 5. To approve the Directors' fees of RM313,300 for the financial year ended 31 December 2006 (2005 – RM264,800). **(Resolution 7)**
 6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration. **(Resolution 8)**
- As Special Business:
To consider and if thought fit to pass the following resolutions:
7. Ordinary Resolution - Authority for Directors to issue shares under Section 132D of the Companies Act 1965.

"THAT pursuant to Section 132D of the Act, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10 percent (10%) of the issued share capital of the Company, and subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issues, where necessary." **(Resolution 9)**
 8. Ordinary Resolution - Proposed renewal of existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

"THAT subject always to the Act, the Memorandum and Articles of Association of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"),

approval be and is hereby given to the Company and/or its subsidiary companies to continue to enter into all arrangements and/or transactions under the existing Shareholders' mandate, involving the interests of the Directors, Major Shareholders or persons connected with the Directors and/or Major Shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 2.3 of Part A of the Circular to Shareholders dated 25 April 2007 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature necessary for the day-to-day operations, are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and not to the detriment of the minority shareholders ("the Mandate").

AND THAT furthermore disclosure is made in the Annual Report of the Company of the breakdown of the aggregate value of the transactions conducted pursuant to the Mandate during the financial year in accordance with the Listing Requirements.

AND THAT the Mandate, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held pursuant to Section 143 (1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act).

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate as described in this Ordinary Resolution." **(Resolution 10)**

9. Ordinary Resolution - Proposed new Shareholders' Mandate for additional Recurrent Related Party Transactions of a Revenue or Trading Nature.

"THAT subject always to the Act, the Memorandum and Articles of Association of the Company and the Listing Requirements, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements or transactions under a Shareholders' mandate with Related Parties as specified in Section 2.4 of Part A of the Circular to Shareholders dated 25 April 2007, provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature necessary for the day-to-day operations, are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, and not to the detriment of the minority shareholders ("the Mandate").

AND THAT furthermore disclosure is made in the Annual Report of the Company of the breakdown of the aggregate value of the transactions conducted pursuant to the Mandate during the financial year in accordance with the Listing Requirements.

AND THAT the Mandate, unless revoked or varied by the Company in a general meeting, shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held pursuant to Section 143 (1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act).

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate as described in this Ordinary Resolution." **(Resolution 11)**

10. Ordinary Resolution - Proposed renewal of existing Shareholders' Mandate on Share Buy-Back.

"THAT, subject always to the Act, the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) The aggregate number of Shares bought-back and/or held does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company subject to a restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;
- (ii) The maximum amount to be allocated for the buy-back of the Company's own Shares shall not exceed the retained profits and the share premium account of the Company; and
- (iii) Upon completion of buy-back by the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manners:-
 - (a) cancel the Shares so purchased; or
 - (b) retain the Shares so purchased as treasury shares and held by the Company; or
 - (c) retain part of the Shares so purchased as treasury shares and cancel the remainder,

and the treasury shares may be distributed as dividends to the Company's shareholders and/or resold on Bursa Malaysia Securities Berhad and/or subsequently cancelled or any combination of the three.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:-

- (i) the conclusion of the next AGM of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting, whichever occurs first.

AND THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid buy-back with full power to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements and all other relevant governmental and/or regulatory authorities." **(Resolution 12)**

11. Special Resolution – Proposed Amendments to the Articles of Association.

"THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix 1 of the Circular to Shareholders dated 25 April 2007, be and are hereby approved and adopted." **(Resolution 13)**

12. To transact any other business.

NOTICE OF ENTITLEMENT AND DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of shareholders at the Thirty-fifth Annual General Meeting, a special dividend of five (5) sen per share and a final dividend of five (5) sen per share for a total dividend of ten (10) sen per share less 27% tax for the financial year ended 31 December 2006, will be paid on Friday, 15 June 2007 to those registered in the Record of Depositors at the close of business at 5.00 p.m. on Thursday, 31 May 2007.

A Depositor shall qualify for entitlement to the dividend in respect of:-

- a) Shares deposited into the Depositors' Securities Account before 12.30 p.m. on Tuesday, 29 May 2007, in respect of shares which are exempted from mandatory deposit;

- b) Shares transferred into the Depositors' Securities Account before 5.00 p.m. on Thursday, 31 May 2007, in respect of transfers; and
- c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

(Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No.2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with Bursa Malaysia Depository Sdn Bhd by 12.30 p.m. 1 December 1998 and not exempted from mandatory deposit, have been transferred to the Minister of Finance ("MOF"). Accordingly, the payment for such undeposited shares will be paid to MOF)

BY ORDER OF THE BOARD

TASNEEM BINTI MOHD DAHALAN (LS 6966)

Company Secretary

Kuala Lumpur

25 April 2007

Notes:-

1. Proxy Form

Each member of the Company is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.

Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

In the case of a corporation, the proxy must be executed under its common seal or signed under the hand of its attorney or by an officer on behalf of the corporation.

The instrument appointing the proxy must be deposited at The Registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

2. Explanatory Note on the Resolutions

Resolution 9, if passed, will give the Directors of the Company authority to allot and issue ordinary shares in the Company up to a maximum of 10% of the issued and paid up share capital of the Company, at any time at their absolute discretion without convening a general meeting.

Resolutions 10 and 11, if passed, would mandate the Company and/or its subsidiary companies to continue to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day to day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Resolution 12, if passed, would mandate the Company to purchase up to 10% of its issued and paid-up share capital at any given point of time through Bursa Malaysia Securities Berhad.

Resolution 13, if passed, would result in the Company's Articles of Association to be in line with the recent amendments of the Listing Requirements, and to facilitate business and administrative efficiencies for the Company.

The authority granted by shareholders for Resolutions 9, 10, 11, and 12 will, unless revoked or varied by the Company at a general meeting, expire at the end of the next Annual General Meeting.

For further information on Resolutions 10, 11, 12, and 13, please refer to the Circular to Shareholders dated 25 April 2007, which is dispatched together with this Annual Report.

Statement Accompanying Notice of Annual General Meeting

Re-election of Directors

Directors who retire at the Thirty-fifth Annual General Meeting of the Company and being eligible have offered themselves for re-election:

Pursuant to Article 108 of the Company's Articles of Association

- i) Y Bhg Dato' Zolkipli bin Abdul
- ii) Y Bhg Dato' Seri Mohamed Jawhar
- iii) Y Bhg Dato' Abdul Mutalib bin Mohamed Razak

Pursuant to Article 113 of the Company's Articles of Association

- i) Y Bhg Dato' Hishamuddin bin Aun

Details of the above Directors are set out in their respective profiles which appear on pages 128 to 131 of this Annual Report.

Board of Directors' Meetings

During the financial year ended 31 December 2006, five Board of Directors' Meetings were held, the details of which are set out in the table below. The details of Directors attendance at the Board Meetings are set out on page 142 of this Annual Report.

General Meeting

During the financial year ended 31 December 2006, the Company held only one General Meeting, being the Thirty-fourth Annual General Meeting held on Tuesday, 27 June 2006 at 10.00 a.m. at the Theatre of the Company, 5th Floor, Balai Berita (Anjung Riong), 31 Jalan Riong, 59100 Kuala Lumpur.

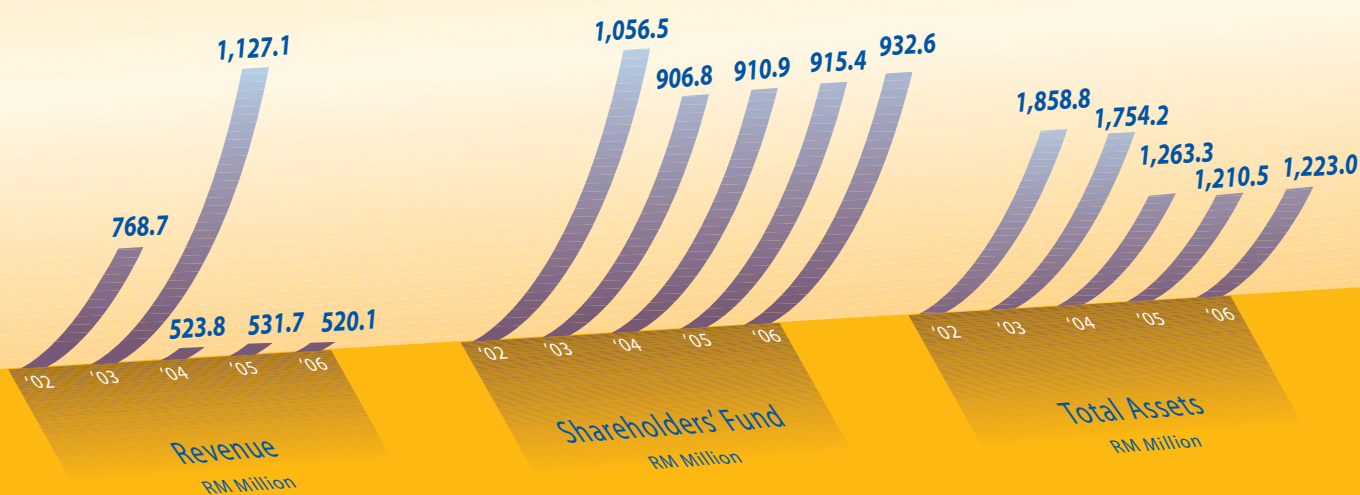
Details of Board Of Directors' Meetings

Date	Time	Venue
23 February 2006	9.30 am	Conference Room, 5th Floor
17 May 2006	3.00 pm	Balai Berita (Anjung Liku)
30 August 2006	9.30 am	31 Jalan Riong
23 November 2006	1.30 pm	59100 Kuala Lumpur
27 June 2006 (Special Board Meeting)	9.15 am	Board Room, 5th Floor Balai Berita (Anjung Riong) 31 Jalan Riong 59100 Kuala Lumpur



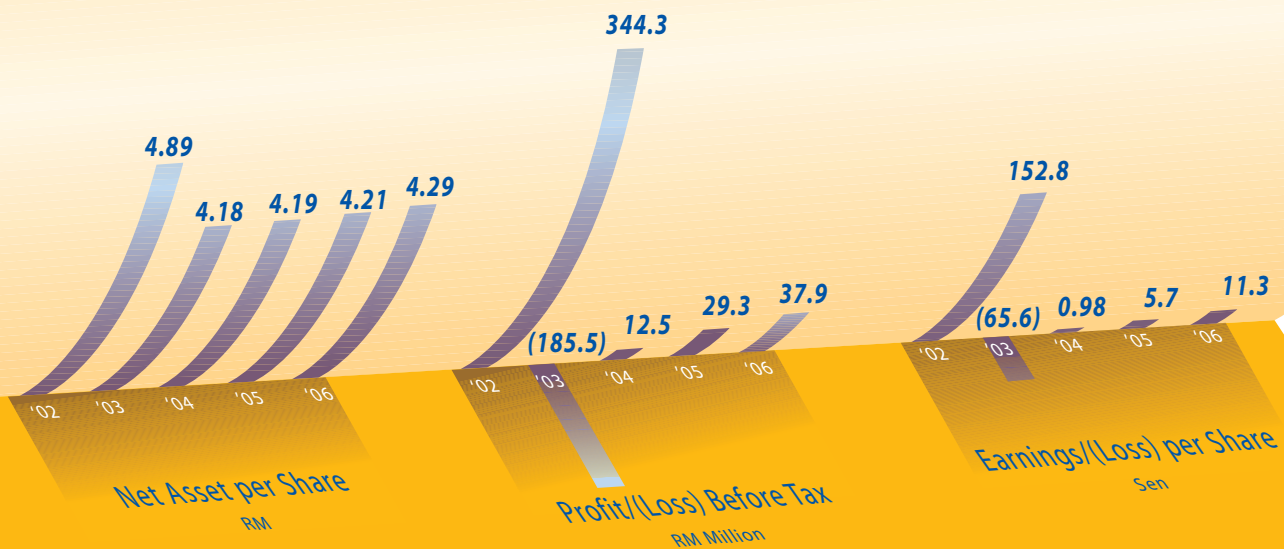
Five-Year Group Financial Highlights

	2006 RM'000	2005 RM'000	2004 RM'000	2003* RM'000	2002 RM'000
Share capital	217,228	217,228	217,218	216,844	216,133
Shareholders' fund	932,561	915,386	910,910	906,803	1,056,476
Current assets	293,372	282,357	308,883	517,611	504,547
Current liabilities	290,315	294,227	351,569	703,755	616,595
Total assets	1,222,976	1,210,527	1,263,322	1,754,237	1,858,801
Net assets	932,561	915,386	910,910	906,803	1,056,476
Revenue	520,063	531,684	523,807	1,127,118	768,673
Earnings before interest, tax, depreciation and amortization (EBITDA)	64,157	54,890	70,355	143,541	479,033



	2006 RM'000	2005 RM'000	2004 RM'000	2003* RM'000	2002 RM'000
Profit/(loss) before tax	37,912	29,307	12,511	(185,489)	344,281
Profit/(loss) after tax	24,561	12,404	2,163	(141,340)	327,347
Net profit/(loss) attributable to shareholders	24,561	12,404	2,130	(142,046)	330,121
Net asset per share (RM)	4.29	4.21	4.19	4.18	4.89
Return on shareholders' fund (%)	2.6	1.4	0.2	(15.7)	31.2
Earnings/(loss) per share (sen)	11.3	5.7	0.98	(65.6)	152.8
Dividend per share (sen)	10	5	5	0	5

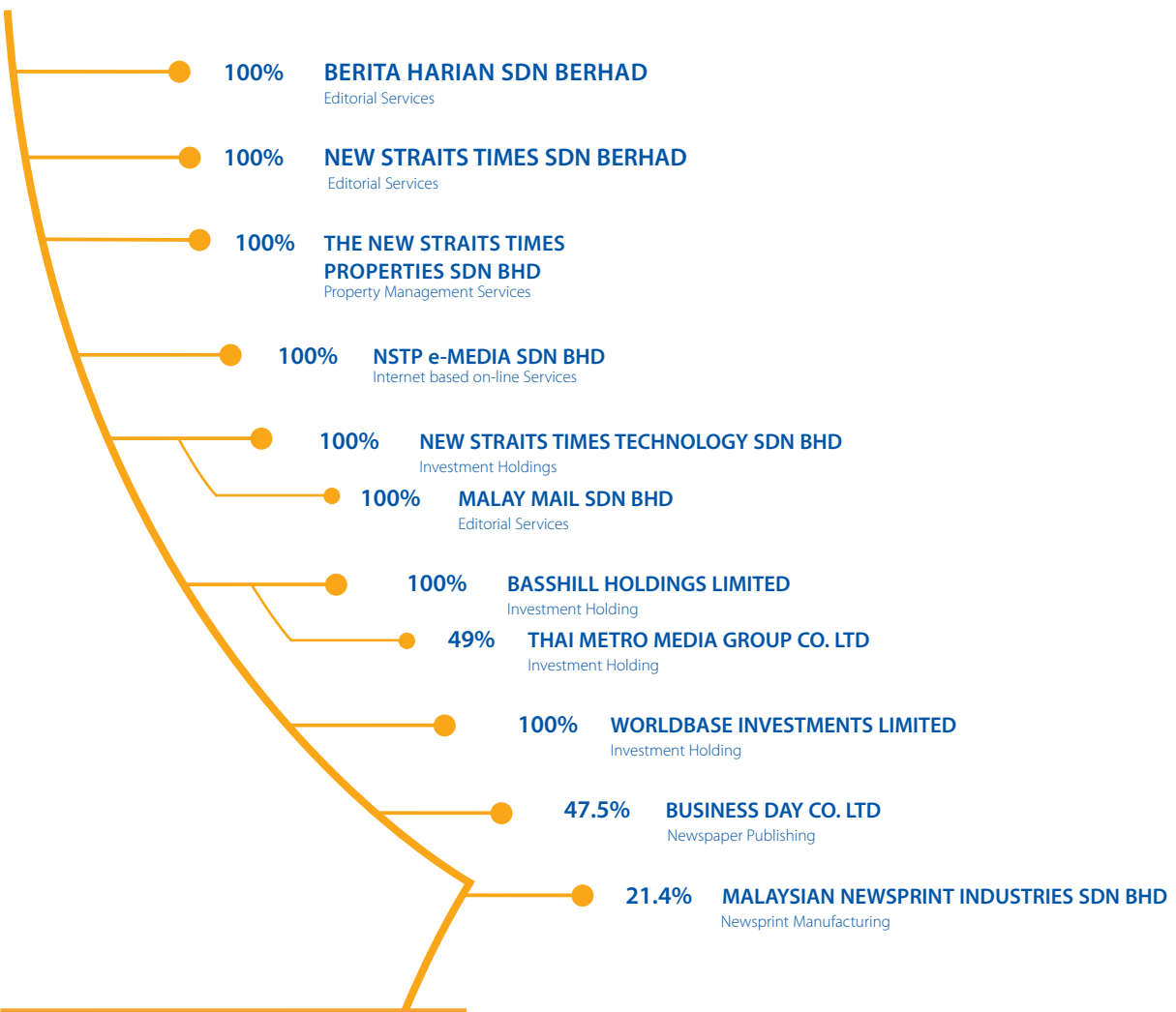
* The 2003 figures are for the 16-month period from 1 September 2002 to 31 December 2003



Organisation Chart



NSTP

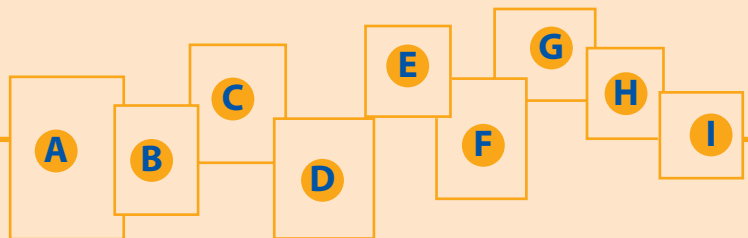


Dormant Subsidiary Companies :

- Asia Pacific Enterprise Computing Sdn Bhd
- Beriteks Sdn Bhd
- IT Publications Sdn Bhd
- Shin Min Publishing (Malaysia) Sdn Bhd
- Asia Pasific Risk Management Centre Sdn Bhd
- Bisofware Sdn Bhd
- Marican Sdn Berhad
- Berita Book Centre Sdn Bhd
- BT Information Sdn Bhd
- Q-Distribution Sdn Bhd
- Berita Information Systems Sdn Bhd
- Business Times (Malaysia) Sdn Bhd
- Rampaian Media Sdn Bhd



Board of Directors





- A** **Dato' Seri Mohamed Jawhar**
Chairman
Independent Non-Executive Director
- B** **Dato' Kalimullah bin Masheerul Hassan**
Deputy Chairman
Non-Independent Non-Executive Director
- C** **Shahril Ridza bin Ridzuan**
Non-Independent Non-Executive Director
- D** **Dato' Syed Faisal Albar bin Syed A. R Albar**
Chief Executive Officer/Executive Director

- E** **Dato' Zolkipli bin Abdul**
Independent Non-Executive Director
- F** **Dato' Hishamuddin bin Aun**
Group Editor-in-Chief/Executive Director
- G** **Abdul Rahman bin Ahmad**
Non-Independent Non-Executive Director
- H** **Dato' Dr. Mohd Shahari bin Ahmad Jabar**
Independent Non-Executive Director
- I** **Dato' Abdul Mutalib bin Mohamed Razak**
Independent Non-Executive Director

Board of Directors' Profile

DATO' SERI MOHAMED JAWHAR **(Chairman/Independent Non-Executive Director)**

Dato' Seri Mohamed Jawhar, aged 62, a Malaysian, was appointed to the Board of The New Straits Times Press (Malaysia) Berhad ("NSTP" or "the Company") on 19 August 2005 as an Independent Non-Executive Director. He was subsequently appointed as Chairman of the Company on 27 June 2006. Presently, Dato' Seri Jawhar is also Chairman of the Nomination Committee and Remuneration Committee.

Dato' Seri Jawhar served with the government for over 20 years holding various positions including Director-General, Department of National Unity; Under-Secretary, Ministry of Home Affairs; Director (Analysis) Research Division, Prime Minister's Department; Principal Assistant Secretary, National Security Council; and Executive Secretary, Border Security Committee Malaysia/Thailand. He also served as Counsellor in the Malaysian Embassies in Indonesia and Thailand.

He joined the Institute of Strategic and International Studies Malaysia in May 1990, of which he is now Chairman and Chief Executive Officer. In ISIS, his special focus is in the fields of international relations, security and nation-building. Presently, he also serves as Chairman of the National Committee for Pacific Economic Cooperation Council (PECC), Malaysia and Secretariat for the Council for Security Cooperation in Asia Pacific (CSCAP). He is also a member of the National Unity Advisory Panel.

Dato' Seri Jawhar has no family relationship with the other Directors and/or with the major shareholders and holds no shares in NSTP. He has no conflict of interests with the Company and has no conviction for offences within the past ten years. At present, he sits on the Boards of Media Prima Berhad and Affin Islamic Bank Berhad.

DATO' KALIMULLAH BIN MASHEERUL HASSAN **(Deputy Chairman/Non-Independent Non-Executive Director)**

Dato' Kalimullah bin Masheerul Hassan, aged 49, a Malaysian, was appointed to the Board of NSTP on 1 January 2004 as an Executive Director, holding the position as Group Editor-in-Chief for two years. He was later appointed as Non-Executive Non-Independent Deputy Chairman on 1 January 2006. At present, Dato' Kalimullah is also the Chairman of the Executive Committee.

Dato' Kalimullah began his career in journalism in 1979, starting off as a cadet journalist with the Penang-based National Echo. He joined the Star in 1980 and become its Chief Reporter, specialising in political reporting and heading the newspaper's political desk. In 1987, he became the Malaysian correspondent for Reuters and in the same year joined the New Straits Times as Special Correspondent. In 1988 he became the Press Secretary to the former Deputy Prime Minister, the late Tun Ghaffar Baba, before joining the corporate world in 1995.

He has no family relationship with the other Directors and/or with the major shareholders and has no shareholdings in the Company. He has no conflict of interests with the Company and has had no conviction for offences within the past ten years.

Currently, Dato' Kalimullah is Chairman of ECM Libra Avenue Berhad. He also sits on the Boards of ECM Libra Berhad, Ekowood International Berhad, Efficient E-Solutions Berhad, and Taylor's Education Berhad. He is also a member of the National Unity Advisory Panel and an independent director of the Multimedia Development Corporation (MDC).

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR
(Chief Executive Officer/Executive Director)

Dato' Syed Faisal Albar bin Syed A. R Albar, aged 41, a Malaysian, was appointed to the Board of the Company on 1 April 2003 as the Chief Executive Officer. He sits on both the Audit Committee and the Executive Committee.

Dato' Syed Faisal is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a member of the American Institute of Certified Public Accountants (AICPA).

He started his career with Price Waterhouse (now PricewaterhouseCoopers) Kuala Lumpur in 1991. He served with Price Waterhouse, San Francisco, California, USA in 1995 before returning to Kuala Lumpur in 1997. In May 2000, Dato' Syed Faisal joined NSTP as the Financial Controller.

Dato' Syed Faisal has no family relationship with the other Directors and/or with the major shareholders and holds no shares in the Company. He has no conflict of interests with the Company and has had no conviction for offences within the past ten years. At present, he sits on the Boards of several subsidiaries and associate companies of NSTP.

DATO' HISHAMUDDIN BIN AUN
(Group Editor-in-Chief/Executive Director)

Dato' Hishamuddin bin Aun, aged 45, a Malaysian, was appointed as Group Editor-In-Chief of NSTP on 1 January 2006 and was subsequently appointed to the Board of Directors on 27 June 2006. Presently, he is a member of the Executive Committee.

Dato' Hishamuddin started his career in journalism in 1979 with the national news agency, BERNAMA. In 1982, he left the agency to join

Berita Harian as a cadet journalist. Nine years later, he was made the Assistant News Editor, Berita Minggu and a year later, the News Editor, Harian Metro.

From 1994 to 2000, he was the Sports Editor of Berita Harian, and later Associate Editor, Specialised Operations in June 2000. In 2001, he was promoted to Assistant Editor, Specialised Operations and later as the Group Editor, Berita Harian in 2003. Dato' Hishamuddin became Deputy Group Editor-in-Chief of NSTP in 2005 before his appointment as Group Editor-in-Chief a year later.

Dato' Hishamuddin holds 5,000 ordinary shares in the Company. Other than disclosed, he has no family relationship with the other Directors and/or with the major shareholders nor has he any conflict of interests with the Company. He also has had no conviction for offences within the past ten years. At present, he sits on the Boards of several subsidiaries and associate companies of NSTP. He also sits on the Board of Governors of BERNAMA and Dewan Bahasa dan Pustaka.

DATO' ZOLKIPLI BIN ABDUL
(Independent Non-Executive Director)

Dato' Zolkipli bin Abdul, aged 65, a Malaysian, was appointed to the Board of the Company on 27 September 2000 as an Independent Non-Executive Director. He is the Chairman of both the Audit Committee and the ESOS Option Committee.

He holds a Master of Arts in Political Science from University of Iowa, USA. He is also a Fellow of the Chartered Institute of Transport Malaysia.

He served in the Malaysian Civil Service for 32 years, including the Prime Minister's Department, Embassies of Malaysia in Myanmar & Philippines, the Ministry of Works, the Public Services Department and the Department of Civil Aviation. Prior to his retirement in 1997, Dato'

Zolkipli held the position of Deputy Secretary General, Ministry of Agriculture.

Dato' Zolkipli has no family relationship with the other Directors and/or with the major shareholders, no shareholdings in NSTP nor has he any conflict of interests with the Company. He has had no conviction for offences within the past ten years. Currently, Dato' Zolkipli is Chairman of Jaks Resources Berhad and a Director of Dai Hwa Holding Berhad.

ABDUL RAHMAN BIN AHMAD
(Non-independent Non-Executive Director)

Encik Abdul Rahman bin Ahmad, aged 37, a Malaysian was appointed to the Board of NSTP on 16 August 2001 as a Non-Independent Non-Executive Director. He also sits on the Nomination Committee, Executive Committee and ESOS Option Committee.

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

Encik Abdul Rahman started his career as an Assistant Manager at Arthur Andersen, London from 1992 to 1996. From 1996 to 1999, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad as Unit Head from 1999 to 2000. He was also an Executive Director of SSR Associates Sdn Bhd from 2000 to August 2001.

Encik Abdul Rahman was appointed Group Managing Director/Chief Executive Officer of Malaysian Resources Corporation Berhad ("MRCB") on 9 August 2001 before joining Media Prima Berhad on 1 September 2003 as Group Managing Director/Chief Executive

Officer. At present, he is also Executive Director of Sistem Televisyen Malaysia Berhad (TV3) and sits on the Board of Malaysian Resources Corporation Berhad.

He has no family relationship with the other Directors and/or with the major shareholders and has no shareholdings in the Company. He has no conflict of interests with the Company and has had no conviction for offences within the past ten years.

SHAHRIL RIDZA BIN RIDZUAN
(Non-independent Non-Executive Director)

Encik Shahril Ridza bin Ridzuan, aged 36, a Malaysian, was appointed to the Board of the Company on 16 August 2001 as a Non-Independent Non-Executive Director. He is also a member of the Remuneration Committee and Executive Committee.

He holds a Bachelor of Civil Law (1st class) from Oxford University, England, a Master of Arts (1st class) from Cambridge University, England and has been called to the Malaysian Bar and the Bar of England & Wales.

Encik Shahril began his career as a Legal Assistant at Zain & Co from 1994 to 1996. From 1996 to 1998, he was the Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd. He subsequently joined Pengurusan Danaharta Nasional Berhad from 1998 to 1999. From 1999 to August 2001, he was an Executive Director at SSR Associates Sdn Bhd.

Encik Shahril served as an Executive Director of Malaysian Resources Corporation Berhad ("MRCB") for two years prior to his appointment as MRCB Group Managing Director on 1 September 2003. At present, he also sits on the Boards of Media Prima Berhad, UDA Holdings Berhad and Pengurusan Danaharta Nasional Berhad.

He has no family relationship with the other Directors and/or with the major shareholders and has no shareholdings in NSTP. He has no conflict of interests with the Company and he has had no conviction for offences within the past ten years.

DATO' DR. MOHD SHAHARI BIN AHMAD JABAR
(Independent Non-Executive Director)

Dato' Dr. Mohd Shahari bin Ahmad Jabar, aged 70, a Malaysian, was appointed to the Board of the Company on 12 May 2004 as an Independent Non-Executive Director. He is also a member of the Remuneration Committee.

Dato' Dr. Shahari holds a Bachelor of Arts from the University of Malaya and a Masters in Social Science from the International Institute of Social Studies, Hague, Holland. He also holds a PhD (Political Science) from the University of Hawaii, which was pursued under a Fulbright-Hays Fellowship. He also attended the AMP at Harvard Business School in 1990 as a nominee of the Government of Malaysia.

Upon graduating from University Malaya in 1960, Dato' Dr. Shahari joined the Malaysian Civil Service, holding several positions at national and international levels over the next 30 years. Prior to his retirement in 1991, he held the position of Deputy Director-General, Public Services Department.

Dato' Dr. Mohd Shahari has no family relationship with the other Directors and/or with the major shareholders and has no shareholdings in NSTP. He has no conflict of interests with the Company and has had no conviction for offences within the past ten years. Currently, he sits on the Boards of Malaysian Resources Corporation Berhad, Media Prima Berhad, Sistem Televisyen Malaysia Berhad, EON Capital Berhad, Eon Bank Berhad,

Uni.Asia Assurance Berhad, Uni.Asia General Insurance Berhad, Uni.Asia Life Assurance Berhad, and MIMB Investment Bank Berhad (formerly known as Malaysian International Merchant Bankers Berhad).

DATO' ABDUL MUTALIB BIN MOHAMED RAZAK
(Independent Non-Executive Director)

Dato' Abdul Mutalib bin Mohamed Razak, aged 64, a Malaysian, was appointed to the Board of the Company on 23 February 2006 as an Independent Non-Executive Director. Presently he is also a member of the Audit Committee, Nomination Committee and ESOS Option Committee.

He holds a Bachelor of Arts (Hons) in Political Science from the University of Singapore and is also a Barrister-at-Law from The Honorable Society of Lincoln's Inn, London.

A lawyer by profession, Dato' Abdul Mutalib is Senior and Founding Partner of Mutalib, Wan & Co, a law firm he co-started in 1975. Prior to this, Dato' Mutalib was Legal Adviser/Secretary of the Urban Development Authority (UDA). From 1984 to 1990, he was appointed to Board of Trustees of Yayasan Pembangunan Economy Islam Malaysia (YPEIM), and served as Secretary to Yayasan Bumiputra Pulau Pinang Berhad. Currently, he is one of the Presidents of the Tribunal for Consumer Claims.

Dato' Abdul Mutalib has no family relationship with the other Directors and/or with the major shareholders, no shareholdings in NSTP nor has he any conflict of interests with the Company. He has had no conviction for offences within the past ten years. At present, he is Chairman of Media Prima Berhad and Sistem Televisyen Malaysia Berhad and a Director of MARDEC Berhad.

Senior Management



Mimi Megawati binti Abdul Wahid
Marketing Director



Tun Ibrahim bin Mohd Jafri
Production Director



Badrul Hisham bin Mahzan
General Manager, Advertising Sales



Abd Rahman bin Hashim
Head, Information Technology



Abdul Wahab bin Mohamad
Human Capital Director



Dato' Syed Faisal Albar bin Syed A. R Albar
Chief Executive Officer

Corporate Information

Company Secretary :

Tasneem binti Mohd Dahalan

Registered Office :

Balai Berita
31, Jalan Riong
59100 Kuala Lumpur
MALAYSIA
Tel: 03-2282 3131
Fax: 03-2282 1428

Dato' Hishamuddin bin Aun
Group Editor-In-Chief



Tasman Harith bin Ismail
Head, Circulation



Jezilee bin Mohamad Ramli
Chief Financial Officer/
Finance Director



Zafrul Shastri bin Hashim
Head, Legal & Secretarial



Dato' Syed Nadzri bin Syed Harun
Group Editor, New Straits Times Sdn Bhd/
Director, English Publications



Dato' Manja bin Ismail
Group Editor, Berita Harian Sdn Bhd/
Director, Malay Publications

Corporate Website :
www.nstp.com.my

Share Registrar :
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
MALAYSIA
Tel: 03-2721 2222
Fax: 03-2721 2530 & 03-2721 2531

Auditors :
PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut
P.O. Box 10192
50706 Kuala Lumpur
MALAYSIA
Tel: 03-2693 1077
Fax: 03-2693 0997

Main Solicitors :
Shearn Delamore & Co
Shahrizat Rashid & Lee
Zaid Ibrahim & Co

Principal Bankers:
CIMB Bank Berhad
Malayan Banking Berhad

Listing:
Main Board of Bursa Malaysia Securities Berhad
(Listed on 4 April 1973)

Audit Committee Report

MEMBERSHIP

The Audit Committee ("the Committee") of The New Straits Times Press (Malaysia) Berhad ("NSTP" or "the Company") was established on 5 April 1988 and is currently composed of the following Directors:

- Y Bhg Dato' Zolkipli bin Abdul (Chairman, Independent Non-Executive Director)
- Y Bhg Dato' Syed Faisal Albar bin Syed A. R Albar (Chief Executive Officer)
- Y Bhg Dato' Abdul Mutalib bin Mohamed Razak (Independent Non-Executive Director)

Note:

Former committee member Encik Shivadas s/o P K Raman retired as a Director on 27 June 2006 and his seat was filled by Y Bhg Dato' Abdul Mutalib Mohamed Razak.

ATTENDANCE AT MEETINGS

During the financial year ended 31 December 2006, a total of six meetings were convened. Detailed attendances of the Audit Committee members are as below (table 1a):

Table 1a

Audit Committee Members	Attendance	%
Y Bhg Dato' Zolkipli bin Abdul	6/6	100
Y Bhg Dato' Syed Faisal Albar bin Syed A. R Albar	6/6	100
Y Bhg Dato' Abdul Mutalib bin Mohamed Razak (Appointed on 27 June 2006)	3/3	100
Encik Shivadas s/o P K Raman (Retired on 27 June 2006)	3/3	100

TERMS OF REFERENCE

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

Composition of Members

The Committee shall be appointed from amongst its Directors and shall comprise not less than three Directors, the majority of whom shall be independent non-executive Directors and at least one of whom shall be a member of the Malaysian Institute of Accountants ("MIA"). If he is not a member of the MIA, he must at least have three years working experience and must passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The Chairman of the Committee shall be an independent non-executive Director elected by the Committee from amongst its members.

No alternate Director shall be appointed as member of the Committee.

In the event of any vacancy in the Committee resulting in non-compliance of the above requirements, the Company must fill the vacancy within three months.

The Company Secretary shall be the Secretary of the Committee.

Functions of the Audit Committee

The duties and responsibilities of the Committee are as follows:

1. In the course of the duty of the external and internal auditors, to:
 - review the audit scope and plan with the external auditors before approving the same;
 - review the adequacy and effectiveness of internal control systems, including the financial information systems, and the internal auditors' and/or external auditors' evaluation of the said systems;
 - review and approve the adequacy of the internal audit scope and plan, functions and resources of the internal audit function;
 - review the internal and external audit reports to ensure that appropriate and prompt remedial action is taken by Management for deficiencies in controls or procedures that have been identified;
 - review the quarterly results and year-end financial statements of the Company and the NSTP Group ("Group"), prior to approval by the Board, focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other regulatory requirements;
 - review any related party transaction and any conflict of interest situation that may arise within the Company or the Group; and
 - review the appointment and performance of the external auditors, the audit fee and any questions of resignation or dismissal before making recommendations to the Board.
2. Review the nomination of a person or persons as external auditors.

*NSTP Marketing
Director, elucidating
the success of
Harian Metro.*



3. Review major audit findings and the responses with Management, the internal and external auditors.
4. Review procedures in place to ensure that the Group is in compliance with the Companies Act, 1965, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other regulatory and reporting requirements.

Meetings

1. The Committee shall meet at least four times a year to discuss any matters raised by the auditors in discharging their duties. The quorum for a meeting of the Committee shall be three of which the majority must be independent Directors.
2. The Company Secretary is responsible for the co-ordination of administrative details including calling of meetings, voting and keeping of minutes.
3. The Chief Financial Officer of the Company shall represent the Management at the meetings. The internal auditors shall also be invited to attend the meetings of the Committee. When required, heads of the respective companies/departments shall be invited to attend when audit reports of their companies/departments are tabled for discussion.
4. The Chairman shall call for a meeting of the Committee if requested to do so by any Committee member, Management or the internal and external auditors.
5. The internal and external auditors shall be entitled to appear and be heard at meetings of the Committee and shall appear before the Committee when required to do so by the Committee.

Rights of the Audit Committee

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the Committee, in accordance with the procedure to be determined by the Board and at the cost of the Company, shall:

- have authority to investigate any matter within its Terms of Reference;
- have the resources in order to perform its duties and responsibilities;
- have full and unrestricted access to information pertaining to the Company and the Group;
- have direct communication channels with the internal auditors and external auditors;
- be able to obtain independent professional advice; and
- be able to convene meetings with the external auditors, excluding executive members of the Committee, whenever deemed necessary.

SUMMARY OF ACTIVITIES

In line with the Terms of Reference of the Committee, the Committee has carried out the following activities during the financial year ended 31 December 2006:

Risks and Controls

- Reviewed the adequacy and integrity of internal control system, the appropriate processes in place to identify, evaluate and manage the significant risks identified by the Group; and
- Reviewed and monitored the significant risks identified by the Group on a quarterly basis and the corresponding action plans taken by Management to mitigate and to address such risks.

Financial Results

- Reviewed the quarterly unaudited financial statements and announcements and year end audited financial statements of the Company and the Group with the Chief Financial Officer and the external auditors and ensure that the financial statements were drawn in accordance with the provisions of the Companies Act 1965, Listing Requirements of Bursa Malaysia and applicable accounting standards approved by Malaysian Accounting Standards Board prior to the approval by the Board.

External Audit

- Reviewed with the external auditors the audit strategy and scope for the statutory audit of the Group for the financial year under review;
- Reviewed audit issues which have significant impact on the financial results of the Company and the Group and ensure follow-up actions were taken in a timely and effective manner; and
- Reviewed their fees, performance and independence before making their recommendations to the Board.

below : Big winners of the Final Round of the "Personaliti Celcom-Harian Metro 2006"



right below : Participants of One In A Million answering questions from Harian Metro reporters



Internal Audit

- Reviewed with the internal auditors the internal audit plan for the Group;
- Reviewed the audit reports for the Group prepared by the internal auditors and major findings by the auditors and Management responses; and
- Reviewed the audit reports on special assignments or investigation reports for the Group prepared by the internal auditors on major findings, defalcations, frauds and thefts and Management responses.

Related Party Transactions

- Reviewed the related party transactions entered into by the Group prior to approval by the Board and the disclosure of such transactions in the Annual Report of the Company.

Employee Share Option Scheme

- Reviewed on an annual basis as required under the Listing Requirements of Bursa Malaysia, the list of eligible employees and allocation of options granted to them by the Company pursuant to Company's Employee Share Option Scheme ("ESOS") to ensure that it complied with the allocation criteria stipulated in the ESOS Bye-Laws and as determined by the ESOS Option Committee.

INTERNAL AUDIT FUNCTION

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

During the financial year under review, the internal auditors have completed and issued reports for 33 assignments. The audits covered are in the areas of production, finance, human resources, advertising and sales, editorial support and circulation. These were carried out in accordance with the annual audit plan or on

ad-hoc basis at the special request of either the Committee or Management. In addition, the internal auditors attended major competitions organised by the Group in order to verify and confirm the results of the competitions. The internal auditors also attended annual stock-take within the Group as an independent observer to ensure due process has been observed. The resulting reports of the audits undertaken were presented to the Committee and forwarded to the Management for attention and necessary action.

The Management is responsible for ensuring that corrective action on reported weaknesses as recommended are taken within the required timeframe. The internal auditors continuously monitor the implementation of audit recommendations through periodic follow-up reviews. They also work closely with external auditors to resolve any control issues and assists in ensuring that appropriate Management action are taken.

Participants of One In A Million posing for photo with Guest Artist, Ning Baizura during the session with Harian Metro





Corporate Governance Statement

INTRODUCTION

The Board of Directors ("the Board") of The New Straits Times Press (Malaysia) Berhad ("NSTP" or "the Company") is fully committed to ensuring that the highest standards of corporate governance are practised throughout NSTP and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

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

The Board is pleased to disclose the Group's application of the Principles as set out in Part 1 of the Code and extent to which the Group has complied with the Best Practices of the Code during the financial year ended 31 December 2006.

1. DIRECTORS

1.1 The Board

The principal focus of the Board is on establishing the overall strategic direction, development and control of the Group. The Board is responsible for approving key matters involving business plans and budgets, capital expenditure, acquisition and disposal of assets, interim and annual results, human capital policies including succession planning.

The Board has the overall responsibility for corporate governance, reviewing the adequacy and integrity of the system of internal controls, reviewing and adopting the strategic direction of the Group and overseeing the investments of the Group.

The Board has delegated specific responsibilities to five subcommittees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Employee Share Option Scheme Committee and Executive Committee, the details of which are set out below. These Committees have the authority to examine particular issues and revert to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

1.2 Board Composition and Balance

The Board has a balanced composition of executive and non-executive Directors such that no individual or group of individuals can dominate the Board's decision-making powers and processes. More than one third of the Board are independent Directors, which is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The number of Directors also fairly reflects the investment in the Company.

As at 31 December 2006 and up to the date of this statement, the Board is made up of nine Directors, comprising two executive Directors (being the Chief Executive Officer ("CEO") and the Group Editor-in-Chief); three non-independent non-executive Directors; and four independent Directors (including the Chairman). Their respective profiles can be seen on pages 128 to 131 of this Annual Report.

The Board comprises members from varied backgrounds, bringing with them in-depth and diverse experience, expertise and

perspective to the Group's business operations. The presence of independent non-executive Directors brings the additional element of balance to the Board as they provide unbiased and independent views, advice and judgement to take account of the interest, not only of the Group, but also of the shareholders, employees, customers, suppliers, and the community.

There is a clear division of responsibilities between the Chairman and the CEO to ensure that there is a balance of power and authority, and so that decision-making powers are not vested in a single individual. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct, especially during meetings, whilst the CEO has overall responsibility over the business units, organisational effectiveness and implementation of Board's policies, strategies and decisions. The Board, together with the CEO, has developed position descriptions for the Board and for the CEO, involving definition of the limits to Management's responsibilities. In addition, the Board has approved the corporate objectives for which the CEO is responsible to meet.

As prescribed by the Code, the Board has further identified Y Bhg Dato' Zolkipli bin Abdul as the senior independent non-executive Director to whom shareholders can convey their concerns. At present Y Bhg Dato' Zolkipli is also Chairman of the Audit Committee.

1.3 Board Meetings

Board meetings are scheduled in advance at the beginning of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules. The Board meets at least four times a year, and has a formal schedule of matters specifically reserved for its decision, such as the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, and changes to Management and control structure of the Group, including key policies, procedures and authority limits. Additional meetings are held as and when required.

left : The Shell Harian Metro Maju rider rules!



below : The Harian Metro Booth at Jom Heboh was a favourite with the crowd



During the financial year ended 31 December 2006, five Board meetings were held. Details of the Board attendance at meetings for the said financial year are set out in table 2a below:

1.4 Supply of Information

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties, which is not only quantitative but also includes other information deemed suitable such as customer satisfaction, product and service quality, market share, and market reaction.

All Directors are provided with an agenda and a set of Board papers to review prior to the Board meeting. The documents are issued in sufficient time to enable the Directors to obtain further explanation, where necessary, prior to the meeting.

All Directors have access to the advice and services of the Company Secretary and, whether as a full Board or in their individual capacities, Directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

Table 2a

Directors	Designation	Appointment	Resignation	Attendance	%
Y Bhg Dato'Seri Mohamed Jawhar *	Independent Non-Executive Chairman	19 August 2005	-	5/5	100
Y Bhg Jeneral (B) Tan Sri Dato' Mohd Ghazali bin Haji Che Mat	Independent Non-Executive Chairman	1 January 1988	Retired on 27 June 2006	3/3	100
Y Bhg Dato'Kalimullah bin Masheerul Hassan	Non-Independent Non-Executive Deputy Chairman	1 January 2004	-	4/5	80
Y Bhg Dato'Syed Faisal Albar bin Syed A. R Albar	Chief Executive Officer	1 April 2003	-	5/5	100
Y Bhg Dato'Hishamuddin bin Aun	Group Editor-In-Chief	27 June 2006	-	2/2	100
Y Bhg Dato'Zolkipli bin Abdul	Independent Non-Executive Director	27 September 2000	-	5/5	100
Encik Shivadas s/o P K Raman	Independent Non-Executive Director	26 July 1999	Retired on 27 June 2006	3/3	100
Encik Abdul Rahman bin Ahmad	Non-Independent Non-Executive Director	16 August 2001	-	5/5	100
Encik Shahril Ridza bin Ridzuan	Non-Independent Non-Executive Director	16 August 2001	-	5/5	100
Y Bhg Dato'Dr. Mohd Shahari bin Ahmad Jabar	Independent Non-Executive Director	12 May 2004	-	5/5	100
Y Bhg Dato'Abdul Mutalib bin Mohamed Razak	Independent Non-Executive Director	23 February 2006	-	4/4	100

* Appointed as Chairman with effect from 27 June 2006

1.5 Appointments to the Board

The Code endorses as good practice a formal procedure for appointment to the Board, with the Nomination Committee recommending the appointment of new Directors to the Board. The selection criteria of the new candidates for directorship encompass the required mix of skills, experience and other requisite qualities of individuals towards achieving the Group's business goals. The Board, however, makes all decisions on appointments after considering the recommendations of such meetings.

The Board intends to institute self-assessment of its effectiveness as a whole, the effectiveness of the committees of the Board and the contribution of each individual Director, in due course. The Board will also annually review its required mix of skills and experience and other qualities, including core competencies, which non-executive Directors should bring to the Board. Through the Nomination Committee, the Board will also examine its size, with a view to determining the effective number of Board members.

1.6 Re-election of the Directors

In accordance with the Company's Articles of Association, all Directors are required to retire from office at least once every three years at the Annual General Meeting ("AGM") with those retiring eligible for re-election. Directors who are appointed during the financial year are also subject to re-election at the next AGM subsequent to their appointment.

1.7 Directors' Training

All Directors have successfully completed the Mandatory Accreditation Programmes and accumulated the Continuing

Educational Programme (CEP) requisite points pursuant to the requirements of Bursa Malaysia.

To enhance their skills and knowledge, and to ensure Directors are kept conversant with relevant new laws and regulations and changing commercial risks affecting the Group's business, an in-house Board development programme was organised on 15 and 16 November 2006. Tailored to the specific needs of the Group, the Directors attended the programme which covered a wide range of topics such as new accounting regulations; corporate governance and risk management; industry survey; latest technological developments in television, radio and print media; strategic planning; strategic thinking and visionary leadership, and Group synergy. The two-day workshop was facilitated by consultants who were experts in their own fields.

1.8 Board Committees

To assist the Board in executing its responsibilities, a number of board committees with specified terms of reference and responsibilities have been established, namely the Audit Committee, Nomination Committee, Remuneration Committee, Employee Share Option Scheme Committee and Executive Committee.

The Board is kept informed of the Board committees' proceedings and deliberations. Where committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board of Directors' approval. The Chairmen of the various committees report the outcome of the committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board of Directors' meetings.

1.8.1 Audit Committee

The Audit Committee was established on 5 April 1988 and currently comprises three Directors, the majority of whom are independent. The present Audit Committee members are:

- Y Bhg Dato' Zolkipli bin Abdul (Chairman, Independent Non-Executive);
- Y Bhg Dato' Syed Faisal Albar bin Syed A. R Albar (Chief Executive Officer); and
- Y Bhg Dato' Abdul Mutalib bin Mohamed Razak (Independent Non-Executive).

Note:

Former committee member Encik Shivadas s/o P K Raman retired as a Director on 27 June 2006 and his seat was filled by Y Bhg Dato' Abdul Mutalib bin Mohamed Razak.

The Audit Committee reviews issues on accounting policies and presentation of external financial reporting, monitors the works of the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. The Audit Committee has full access to the auditors both internally and externally who, in turn, have access at all times to the Chairman of the Committee. A full Audit Committee report enumerating its role and its activities during the year is set out on pages 134 to 138.

1.8.2 Nomination Committee

The Nomination Committee was formed on 25 October 2001 and consists of three non-executive Directors, the majority of whom are independent.

The present members of the Nomination Committee are:

- Y Bhg Dato' Seri Mohamed Jawhar (Chairman, Independent Non-Executive);
- Encik Abdul Rahman bin Ahmad (Non-Independent Non-Executive); and
- Y Bhg Dato' Abdul Mutalib bin Mohamed Razak (Independent Non-Executive).

Note:

Former committee members Y Bhg Jeneral (B) Tan Sri Dato' Mohd Ghazali bin Haji Che Mat and Encik Shivadas s/o P K Raman retired as Directors on 27 June 2006, and their seats were filled by Y Bhg Dato' Seri Mohamed Jawhar and Y Bhg Dato' Abdul Mutalib bin Mohamed Razak respectively.

The duties and responsibilities of the Nomination Committee are:

- To nominate and recommend to the Board, suitable candidates for directorships, and in making such recommendations, to consider candidates proposed by executive Directors, senior executive Management or shareholders;
- To nominate and recommend to the Board, Directors to fill the seats on Board committees;
- To assist the Board in its annual review of its required mix of skills and experience and other qualities, including core competencies which non-executive Directors should bring to the Board; and
- To assist the Board in implementing an assessment programme to assess the effectiveness of the Board as a whole, the committees of the Board and the individual Director on an annual basis.

During the financial year under review, two meetings were held on 23 February 2006 and 27 June 2006 to nominate the appointment of new Directors and the appointment of a new Chairman to the Board.

1.8.3 Remuneration Committee

The Remuneration Committee was established on 25 October 2001 and consists of three non-executive Directors, the majority of whom are independent. The current members of the Remuneration Committee are:

- Y Bhg Dato' Seri Mohamed Jawhar (Chairman, Independent Non-Executive);
- Encik Shahril Ridza bin Ridzuan (Non-Independent Non-Executive); and
- Y Bhg Dato' Dr. Mohd Shahari bin Ahmad Jabar (Independent Non-Executive).

Note:

Former committee member Y Bhg Jeneral (B) Tan Sri Dato' Mohd Ghazali bin Haji Che Mat retired from the Board on 27 June 2006 and his seat was filled by Y Bhg Dato' Seri Mohamed Jawhar.

The duties and responsibilities of the Remuneration Committee are:-

- To determine and recommend to the Board the framework or broad policy for the remuneration packages of the Company's or Group's Chief Executive, the Chairman of the Company and such other members of the executive Management as it is designated to consider;
- To establish a formal and transparent procedure for developing policy on the total individual remuneration package of executive Directors and other designated executive Management including, where appropriate, bonuses, incentives and share options;
- To design the remuneration package for all executive Directors and other designated executive Management with the aim of attracting and retaining high-calibre individuals who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board for approval;

- To review and recommend to the Board improvements (if any) on executive Directors and other designated executive Managements' remuneration policy and package, and any other issues relating to benefits of designated executive Management on an annual basis;
- To review any major changes in employee benefit structures throughout the Company or Group, and if fit recommend to the Board for adoption; and
- To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include:
 - Merit increment
 - Merit bonus

During the financial year under review, one meeting was held on 23 February 2006 to review and recommend in relation to a proposed contract renewal of one of the executive Directors.

1.8.4 Employee Share Option Scheme Committee

The Employee Share Option Scheme Committee ("Option Committee") was established on 10 October 2003. The members of the Option Committee are:

- Y Bhg Dato' Zolkipli bin Abdul (Chairman, Independent Non-Executive);
- Encik Abdul Rahman bin Ahmad (Non-Independent Non-Executive); and
- Y Bhg Dato' Abdul Mutalib bin Mohamed Razak (Independent Non-Executive).

Note:

Former committee member Encik Shivadas s/o P K Raman retired as a Director on 27 June 2006 and his seat was filled by Y Bhg Dato' Abdul Mutalib bin Mohamed Razak.

The role of the Option Committee is:

- To administer the NSTP Employees Share Option Scheme ("ESOS") in accordance with the objectives and regulations of the ESOS Bye-Laws;
- To determine participation eligibility, option offers and share allocations; and
- To attend to such other matters as may be required.

No Option Committee was held during the year under review as no material matter arose for deliberation.

1.8.5 Executive Committee

The Executive Committee ("EXCO") was established on 6 May 2003 and was formerly named as "Board Committee". The members of the EXCO are:

- Y Bhg Dato' Kalimullah bin Masheerul Hassan (Chairman, Non-Independent Non-Executive);
- Y Bhg Dato' Syed Faisal Albar bin Syed A.R Albar (Chief Executive Officer);
- Y Bhg Dato' Hishamuddin bin Aun (Group Editor-in-Chief);
- Encik Abdul Rahman bin Ahmad (Non-Independent Non-Executive); and
- Encik Shahril Ridza bin Ridzuan (Non-Independent Non-Executive).

The objectives of the Committee are:

- To execute decisions and discretions under the power given by the Board of Directors;
- To review and monitor the Company's overall performance;
- To take the necessary remedial action to ensure the Company's objectives are met; and
- To review and decide on all matters referred to it by the Management.

During the financial year under review, two meetings were held on 2 March 2006 and 13 July 2006 to discuss and approve the revamp of two of the Group's publications, and the succession planning of key editorial positions.

2. DIRECTORS' REMUNERATION

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to manage the Group successfully. Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive Directors.

The Group has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The Remuneration Committee recommends to the Board, the framework of the executive Directors' remuneration and the remuneration package for each executive Director. Nevertheless, it is the ultimate responsibility of the Board to approve the remuneration of these Directors.

Save that the fees of the Directors shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, the determination of the remuneration packages of non-executive Directors (whether in addition to or in lieu of their fees as Directors), is a matter for the Board as a whole. Individual Directors do not participate in decision regarding their own remuneration package.

2.1 Remuneration Package

The remuneration packages of executive Directors include basic salary, allowances, performance bonus, share option and other benefits usually accorded to senior executive management. Their packages are reviewed annually by the Remuneration Committee. The annual fees of non-executive Directors are approved by shareholders at the AGM of the Company. Their fees are based on industry rates and the levels of responsibilities undertaken by non-executive Directors.

A summary of the remuneration of the Directors for the financial year ended 31 December 2006, distinguishing between executive and non-executive Directors in aggregate, with categorisation

into appropriate components and the number of directors whose remuneration falls into each successive band of RM50,000 are set out below.

Aggregate Remuneration (Table 2b)

* Subject to shareholders' approval at the AGM held on 17 May 2007.

Analysis of Remuneration (Table 2c)

** Including the remuneration of a Director who retired on 27 June 2006.

**** Including the remuneration of the Chairman who retired on 27 June 2006.

	Executive Directors	Non-Executive Directors
	RM	RM
Fees	-	313,300*
Salary	709,860	-
EPF	151,317	-
Allowance	136,800	-
Leave Passage	31,524	40,000
Benefits-in-kind	15,600	8,465
Other Emoluments	17,358	126,000
Total (RM)	1,062,459	487,765

Table 2b

Directors' Remuneration	Executive Directors	Non-Executive Directors	Total
RM50,000 and below	-	6**	6
RM50,001 - RM100,000	-	2***	2
RM100,001 - RM150,000	-	-	-
RM150,001 - RM200,000	-	1	1
RM400,001 - RM450,000	-	-	-
RM450,001 - RM500,000	-	-	-
RM500,001 - RM550,000	2	-	2

Table 2c

3. SHAREHOLDERS AND INVESTOR RELATIONS

3.1 Dialogue Between the Company and Investors

The Group values dialogue with investors. In line with good corporate governance practices, the executive Directors proactively and actively disseminate relevant information about the Group to the investment community, specifically the institutional fund managers and analysts. Briefings with analysts and investors are usually held after each quarter's announcement of results to the Bursa Malaysia to explain the Group's strategy, performance and major developments. In addition, corporate announcements, events and developments are issued to the media via press releases and/or by holding press conferences after general meetings or corporate events. These provide shareholders, analysts and the investing public with an overview of the Group's performance and operations.

3.2 Annual General Meeting

The AGM remains the principal forum for dialogue with shareholders. At each AGM, the Board presents the progress and performance of the Group. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

right : Artist, Farahwahida was also present at the ceremony

below : The inaugural I-Metro Futsal Carnival at Rio De Futsal Subang Jaya, received tremendous response



3.3 Websites

To ensure easy and convenient access to the Group's financial information by shareholders and investors, press releases, annual reports and other corporate information, a website is maintained at <http://www.nstp.com.my>.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

In presenting the annual financial statements and quarterly announcement to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price-sensitive public reports and reports to regulators.

4.2 Internal Control

The Board acknowledges its responsibility for the Group's system of internal controls and risk management and for reviewing the effectiveness of those systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Internal Control Statement is set out on pages 152 to 154 of this Annual Report.

4.3 Relationship With The Auditors

Through the Audit Committee, the Board has established a formal and transparent arrangement for maintaining appropriate relationships with the Group's auditors, both external and internal.

The role of the Audit Committee in relation to the external auditors is described on page 137 of this Annual Report.

5. STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for the preparation of the financial statements of the Company and the Group. The Board has ensured that the financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates, and in adherence to all applicable accounting standards. It is also the Board's responsibility to ensure that accounting records are accurate, within margins of reasonableness, which discloses the financial position of the Company and the Group in a true and fair manner.

This Statement was made in accordance with the resolution of the Board of Directors dated 11 April 2007.

Additional Compliance Information

Disclosure pursuant to paragraph 9.25 of Bursa Malaysia Securities Berhad Listing Requirements

Material Contracts

There have been no material contracts entered into during the financial year ended 31 December 2006 involving Directors' and Substantial Shareholders' interest, with the exception of the Share Sale Agreement dated 30 November 2006 entered into by The New Straits Times Press (Malaysia) Berhad ("NSTP") and its Substantial Shareholder, Media Prima Berhad ("MPB") to dispose of NSTP's entire equity interest in the wholly-owned subsidiary company, The Right Channel ("TRC"), for a cash consideration of RM1.00. In addition, MPB undertook to procure RM3,500,000 of the advances due from TRC to the NSTP with RM1,500,000 being paid on the completion date, and the balance of RM2,000,000 being paid within or on the anniversary of one year from the completion date. The disposal of TRC to MPB was completed on 28 February 2007.

Imposition of Sanctions and/or Penalties

During the financial period ended 31 December 2006, no material sanctions and/or penalties were imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors of the Company and its subsidiaries for the financial year ended 31 December 2006 was RM274,000.

Utilisation of Proceeds

No corporate proposal involving any utilisation of proceeds was conducted during the financial year ended 31 December 2006.

Share Buy-Back

The Company did not purchase any of its ordinary shares during the financial year ended 31 December 2006.

Options, Warrants or Convertible Securities

The Company did not offer any options to any staff or Directors under the Employee Share Option Scheme during the financial year ended 31 December 2006.

The Company did not issue any warrants or convertible securities during the financial year ended 31 December 2006.

American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR")

The Company did not sponsor any ADR or GDR during the financial year ended 31 December 2006.

Results Variation

There was no material variation between the audited results for the financial year ended 31 December 2006 and the unaudited results previously announced.

Profit Guarantee

The Company gave no profit guarantee during the financial year ended 31 December 2006.

Recurrent Related Party Transactions

At the Thirty-fourth Annual General Meeting of the Company ("2006 AGM") held on 27 June 2006, a Shareholders' Mandate was obtained for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature with related parties ("RRPT") from the 2006 AGM up to the forthcoming Annual General Meeting.

For the financial year ended 31 December 2006, the aggregate value of the RRPTs entered did not meet the threshold requirement for annual report disclosure as prescribed by Bursa Malaysia Securities Berhad.

List of Properties and Revaluation Policy on Landed Properties

The list of the Group's top ten properties and the required details are disclosed on page 220 of this Annual Report. The New Straits Times Press (Malaysia) Berhad has not adopted a revaluation policy on its landed properties during the financial year ended 31 December 2006.

below : Spectators intently following one of the matches at the first I-Metro Futsal Carnival



right : The first I-Metro Futsal Carnival Champion, DJLCMT from Terengganu with their prizes

Internal Control Statement

INTRODUCTION

The Board of Directors ("the Board") of The New Straits Times Press (Malaysia) Berhad ("NSTP" or "the Company") is committed in maintaining sound internal control for the NSTP Group ("the Group") and is pleased to provide the following statement, which outlines the nature and scope on internal control of the Group during the financial year under review.

RESPONSIBILITY

The Board affirms its overall responsibility for the adequacy and integrity of the Group's system of internal control, including the review of its effectiveness. The Group's system of internal control is designed to ensure that the risks facing the Group's businesses in pursuit of its objectives are identified and managed at known and acceptable levels. Thus, as with any internal control system, controls can only provide reasonable and not absolute assurance against material misstatement or loss.

CONTROL ENVIRONMENT

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Group's control environment comprises the following components:

- **Independence of the Audit Committee and Internal Audit Function**

The Audit Committee comprises a majority of independent non-executive Directors who have unimpeded access to both internal and external auditors. The activities of the Audit Committee in reviewing the results of the internal and external

auditors' work and findings assist them in their evaluation of the control environment. The internal audit function has a clear line of reporting to the Audit Committee and thus, is independent of the activities they audited. Internal auditors conduct regular visits and provides assurance on the efficiency and effectiveness of the Group's system of internal controls, and advises management on areas for further improvement.

- **Organisational structure with defined roles and responsibilities**

The Board has established a properly defined organisational structure with clear reporting lines and formalised roles and responsibilities. The Group's Limits of Authority assigns authority to appropriate levels of staff to exercise control over the Group's commitment of both capital and operational expenditure. The Limits of Authority are approved by the Board and are regularly reviewed and updated to reflect changing conditions.

- **Human Resources Policies and Practices**

The Group recognises the importance of the quality and integrity of its personnel. This translates into various initiatives aimed at adding value to the employees' skill sets and abilities so that they can be fully and optimally utilised, leading to organisational and business growth and consequently, higher shareholders' value.

The Handbook for Employees and Handbook for Journalist, Artists and Photographers in Peninsular Malaysia highlight the Group's policies on staff performance and conduct, health and safety, training and development and equality of opportunity. A systematic performance appraisal system is in place and is reviewed on an annual basis.

- **Management Integrity Policy and Code of Conduct**

The standards of employees' conduct expected by the Group are formally documented and communicated. The Management Integrity Policy and the Code of Conduct lay down the principles to be followed by Management and employees in the course of conducting business. These principles are intended to guide all employees as to the ethical values the Group wants to uphold and are an important factor in maintaining and building the reputation of the NSTP as a responsible and trustworthy business partner, employer, supplier and corporate citizen.

Subsequent to the financial year ended 31 December 2006, the Board approved the manual on Business Ethics and Conduct which will be implemented thereon.

- **Documented Policies and Procedures**

Clearly documented internal policies and procedures are in place and implemented throughout the Group. These procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational deficiency.

- **Business Continuity Plan**

The Board recognises that disaster recovery planning is a key risk Management strategy. The Business Continuity Plan ("BCP") for the Group has been established during the financial year under review and tests have been conducted accordingly. The BCP provides a consistent and systematic approach to managing recovery and ensures a timely and prioritised resumption of newspaper publishing operations in the event of a disaster or major disruption.

RISK MANAGEMENT

The Group recognises the importance of internal controls and risk management in sustaining its business continuity and strives to make risk management and control part of its business culture. In this respect, the Group has put in place a formal risk management process to identify, evaluate, monitor and manage significant risks impacting the Group.

The Board has approved the Risk Management Framework for the Group on 17 October 2002, including the establishment of a Risk Management Committee ("RMC"). The RMC is chaired by the Chief Executive Officer and includes the Chief Financial Officer, Head of Legal and Secretarial, Head of Human Capital Services, and Head of Corporate Governance as its members, with representatives from each operating unit attending as required. The framework provides the platform to adopt a more holistic and integrated approach to managing risks.

For the Group, monitoring of significant risks is an on-going process exercised through direct involvement of the Board and senior management. The Group's risk profile is reviewed on a quarterly basis by the RMC. The RMC reports to the Audit Committee the risk management status, and the Audit Committee then reports to the Board significant changes in the business and the external environment, which affect key risks. The Board, through the Audit Committee, monitors the implementation of the risk strategies and any changes to the risk profile are highlighted to the Board for consideration. In this way, the Board will ensure that the risk strategies are progressing according to the implementation plan.

The Board views risk management as integral to good business practice. Risk assessment and evaluation are incorporated into all key business processes including strategy and business planning, investment appraisal, performance management and safety, health and security management processes.

INTERNAL AUDIT

The Group's internal audit function is carried out by the Corporate Governance Department, which undertakes regular reviews of the Group's operations and its system of internal controls. It provides continuous improvement to the controls and risk management procedures. In this respect, the internal audit function reviews the Group's activities based on an approved audit plan presented to the Audit Committee. The audit plan is developed based on the risk profiles of the business entities of the Group in accordance with the risk policy as approved by the Board. Internal audit findings are discussed at Management level and actions are agreed in response to the internal audit recommendations. The status of implementation of the agreed actions is followed up by the internal auditors to ensure that satisfactory control is maintained.

The internal audit function has a clear line of reporting to the Audit Committee. The Audit Committee reviews all internal audit findings and Management responses to ensure that they obtain the necessary level of assurance with respect to the adequacy of the internal controls. The Audit Committee also reviews the effectiveness of the risk management process. In addition, the Board reviews the summary of the minutes of the Audit Committee meetings.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

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

- A detailed budgeting process where operating units prepare budgets for the coming year for approval by the Board.
- The Chief Financial Officer provides the Board with quarterly financial information, which includes key performance indicators, the monitoring of results against budget, with major

variances being perused and Management action taken, where necessary.

- Clearly defined lines of accountability and responsibility, which set out the decisions that need to be taken and the appropriate approving authority at various levels of Management including matter that require the Board's approval.
- Monitoring of performance including discussion of any significant issues at fortnightly senior Management meetings chaired by the Chief Executive Officer.
- Regular visits to operating units by members of the Board and senior Management.

The Board believes that the development of the system of internal controls is an on-going process and has taken steps throughout the financial year to improve the system and will continue to do so. Based on the assessment of the internal control system of the Group for the financial year under review, no significant control failings or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's Annual Report were noted.

ASSOCIATE COMPANY

Directors are appointed to the Board of Directors of associated companies, and attend board meetings and review the key financial information of those companies. These Directors report to the Board in the event that the associated companies do not appropriately manage significant risks.

This statement is made on the recommendation of the Audit Committee and in accordance with the resolution of the Board of Directors dated 11 April 2007.





Dato' Seri Mohamed Jawhar
Chairman

Chairman's Statement

Dear Valued Shareholders

On behalf of the Board of Directors ("the Board") of The New Straits Times Press (Malaysia) Berhad ("NSTP" or "the Company"), I am pleased to present this Annual Report together with the consolidated Financial Statements of the NSTP Group ("the Group") for the financial year ended 31 December 2006.

OPERATIONAL HIGHLIGHTS

The performance of the Group for the financial year ended 2006 improved over the previous year despite the high newsprint prices and the softening of the total print advertising expenditure market in Malaysia.

The Group continued to direct its focus on the news publishing business by enhancing its stable of core products for readers and advertisers alike. On 20 March 2006, the New Straits Times introduced its "seamless" format in which the paper adopted an integrated content approach for its layout. The newspaper began to dedicate more pages towards the comments and opinions section, garnering new readers attracted to the daily writers' columns and the published opinions of the general public.

Harian Metro's meteoric rise in the past few years continued its momentum in 2006. By the second quarter of 2006, Harian Metro was proclaimed as the No.1 daily Bahasa Melayu newspaper by the Audit Bureau of Circulations. Not one to rest on its laurels, the newspaper introduced a layout revamp on 17 July 2006. The new look has been well received by its readers, consolidating further its position as the leading Bahasa Melayu paper. During the year, Harian Metro also introduced its mobile interactive service, "I-Metro", where the public are able to send in their opinions, views and photos via SMS and MMS, which are then published in the newspaper and in the website. The service has proven popular among readers with I-Metro membership reaching 33,000 so far.

The other Bahasa Melayu paper within the Group, Berita Harian, continued to excel in its educational supplements, Didik, Minda Pelajar, and Skor aimed at assisting primary and secondary

school students sitting for UPSR, PMR and SPM examinations. During the first quarter of 2006, the newspaper also introduced its mobile interactive service "Rakan BH", and as with Harian Metro enjoyed good acceptance throughout the year.

The revamped Malay Mail and its weekend version, Weekend Mail were introduced in May 2006, focusing on a clear and differentiated brand positioning to create a platform for higher advertising revenue. The newspaper is now aimed at a younger urban market and has adopted a contemporary news reporting style. Being a niche market product, the Malay Mail and Weekend Mail requires a longer gestation period for market acceptance. Arising from survey feedback following the revamp launch, it was found that 'hard news' is still the compelling element of readers' choice. Following this, additional pages catering to current affairs and hard news have been incorporated as one of the key contents of the Malay Mail.

CORPORATE DEVELOPMENTS

In line with the objective of the Group to concentrate on its newspaper publishing business, NSTP divested its wholly owned subsidiary, The Right Channel Sdn Bhd, which was principally involved in outdoor advertising, to its major shareholder, Media Prima Berhad ("Media Prima") on 30 November 2006. The disposal enabled the Group to realise its investment at a fair price. It also provided the avenue for Media Prima to build a complete media platform for its own group of companies. The sale was concluded on 28 February 2007.

On 28 September 2006, one of the Company's wholly owned subsidiaries, Pitisan Sdn Bhd ("Pitisan"), underwent a member's voluntary liquidation exercise. Pitisan, although an investment holding company, has been dormant for several

years. Through proper accounting treatment, the exercise instantly increased the Company's retained earnings and strengthened the Company's dividend-paying ability for many years to come.

The focus on the core business in the past several years has also caused several subsidiaries in the Group to shut down operations and become dormant. With Pitisan as a starting point, the Group intends to wind down several other subsidiaries if there are no negative tax or legal implications.

FINANCIAL PERFORMANCE

I am pleased to report that for the financial year ended 31 December 2006, the Group registered a net profit of RM24.6 million, which was 98% higher than the RM12.4 million recorded in the previous year. The improved bottomline was attributable to stronger operational results from its core publishing operations, as well as profit contribution from an associated company.

On the operational front, excluding the one-off exceptional item, the Group achieved an operating profit before tax of RM16.2 million, 31% higher than the RM12.4 million recorded in 2005. The higher operating profit was achieved through strict cost efficiency measures implemented, which included a Voluntary Separation Scheme completed in the first quarter of 2006. This has also translated into a higher earnings per share of 11.31 sen for 2006, compared to 5.71 sen in 2005.

DIVIDEND

Based on the marked improved results, the Board of Directors is pleased to recommend a special dividend of 5 sen per

share and a final dividend of 5 sen per share, making a total dividend of ten sen per share less 27% tax for the financial year ended 31 December 2006. Moving forward, the Board has set a dividend policy to pay dividend of 5 sen per share based on net profit after tax ("PAT") of between RM10 million – RM30 million, to pay 8 sen per share based on PAT of between RM30 million – RM50 million, or to distribute at least 30% of PAT as dividend once the PAT exceeds RM50 million. However, this will be subject to the Group's cashflow and tax credit situation.

PROSPECTS

For the financial year under review, newspapers held some 58% market share of the total advertising expenditure ("Adex") followed by television with 31%. However, newspaper Adex itself had dropped slightly by 1% to RM2.74 billion compared to the previous year. Newsprint prices also remained high at USD650 per metric tonne compared to USD630 per metric tonne in 2005. Despite the regional and global challenges to be faced ahead, the Group is focused on strengthening the newspaper publishing operations as its core business, while at the same time leveraging on new emerging media platforms. Barring unforeseen circumstances, the Board expects a reasonable operational performance for the next financial year.

CORPORATE GOVERNANCE

Good corporate governance continues to be a high priority for the Group as the respective disclosures on corporate governance and internal control in this Annual Report can attest. The Board is mindful of carrying out its responsibilities with professionalism and integrity, which are intrinsic values to be shared by all within the Group.

CORPORATE SOCIAL RESPONSIBILITY

In line with the aspiration of the nation that companies should be good corporate citizens, the Group has embarked on socially conscious programmes, namely the New Straits Times' School Sponsorship Programme ("SSP") and the NSTP-PwC Malaysian Humanitarian Award.

Last year the SSP, a programme to help raise English proficiency among school children, entered into its second year. The launch held on 30 November 2006 was officiated by the Minister of Education, YB Dato' Seri Hishamuddin Hussein. I am happy to note that after the first year of the programme, a survey result on the 978 participating schools reflected a 76.7% increase in interest to read the newspaper and a 60.3% increase in enhanced vocabulary range among students. This would not have been possible if not for the generous support of 232 corporate and individual sponsors.

The 3rd NSTP-PwC Malaysian Humanitarian Award 2005 was launched on 10 August 2006 with the invitation to the public to nominate Malaysians who have demonstrated outstanding public service and displayed selfless acts of a humanitarian nature. The Award sought to bring national attention and accord recognition to Malaysians who demonstrated outstanding public service and selfless deeds that went beyond the call of duty. In recognising such humanitarian acts that otherwise would have gone unnoticed, the organizers hoped that such recognition would promote humanitarian principles and values among members of the public. The Award ceremony held on 5 December 2006 was graced by the Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi.

In December 2006, several southern states in Malaysia, especially Johor, were struck by an unprecedented wave of floods requiring the evacuation of more than 100,000 people. Sensitive to the plight of victims, whose homes and lives were severely affected by the floods, the Company set up the NSTP Flood Victims Assistance Fund on 22 December 2006. The fund attracted corporations and individuals alike to donate to the cause, raising more than RM8 million to date. In early January this year, NSTP also sent its own team of 75 mission volunteers to various relief centres in Johor, distributing donated goods and providing aid to those in need. The mission volunteers comprised NSTP employees as well as members of Rakan BH and I-Metro. On the global front, the attack on Lebanon in July 2006 prompted the Group to set up the NSTP Lebanon Fund which so far has collected approximately RM600,000.

APPRECIATION

On behalf of the Board, I would also like to take this opportunity to record my sincere appreciation to readers, advertisers and vendors for their support to the Group. I would also like to thank Management and staff for their efforts and dedication in achieving the Group's business goals. My heartfelt thanks also go to our shareholders and investors for their contribution and continued support.

On a more personal note, I would like to thank my predecessor, Y Bhg Jeneral (B) Tan Sri Dato' Mohd Ghazali Bin Haji Che Mat, who helmed the Board for over 18 years. I hope to emulate his leadership and commitment, with the full support of my fellow Board members and Senior Management.

Dato' Seri Mohamed Jawhar
Chairman



NSTP Balai Berita, Kuala Lumpur

Operations Review

The New Straits Times Press (Malaysia) Berhad (“NSTP”) continued to strive in achieving its financial and corporate objectives for the financial year ended 31 December 2006, rising against the adversity of challenges faced by all newspaper publishing companies world wide.

Escalating newsprint prices, competition from new media platforms, and the softening of overall advertising expenditure ("Adex") did not deter the NSTP Group ("the Group") from achieving better operational results for the year ended 2006 compared to the year before.

Excluding the one-off charge for the Voluntary Separation Scheme ("VSS") incurred in the first quarter of 2006, the Group achieved an operating profit before tax of RM16.2 million, representing an increase of 31% compared to the RM12.4 million recorded in the previous financial year. The encouraging operating performance was achieved through stringent cost control measures adopted throughout the Group's publications and effective management on the level of unsold newspapers.

The increase in operating profit in turn translated into higher earnings per share of 11.31 sen for the financial year ended 2006 compared to 5.71 sen for the previous year.

HARIAN METRO - ASCENDING TO NO. 1

Harian Metro's meteoric rise in the past few years has continued its momentum in 2006. By the second quarter of 2006, Harian Metro was proclaimed as the No. 1 daily Bahasa Melayu newspaper by the Audit Bureau of Circulations. The newspaper celebrated its newly acquired spot with its clients at a media function held on 4 August 2006. Harian Metro also took the opportunity to publicise its revamped layout, which was first introduced on 17 July 2006.

Not content with resting on its laurels, the newspaper underwent a layout revamp to remain fresh and relevant for its readers. New vibrant pull-outs were introduced such as "Rap" and "Variasi", complementing the main paper further. The new look has since been well received by its readers, consolidating further its position as the leading Bahasa

Melayu paper. For the Group as a whole, the advertising expenditure in the Bahasa newspapers for the financial year ended 31 December 2006 grew by 6%, a large portion of which was contributed by Harian Metro. Harian Metro's circulation revenue was also by far the largest among the Group's four publications, reflecting the rising spending power of the Malay middle class.

During the year, Harian Metro also introduced its mobile interactive service, "I-Metro", giving the opportunity to the public to send in their opinions, views and photos via SMS and MMS, which are then published in the newspaper and in the website. The service has proven popular among readers with I-Metro membership reaching 33,000 so far. So popular was I-Metro that the newspaper took the opportunity to organise a futsal carnival for I-Metro members only. A total of 128 teams participated in the carnival, which took place on 17 September 2006 at Rio de Futsal, Subang Jaya.

BERITA HARIAN - STILL HOLDING FORT

Harian Metro may have seized the coveted Bahasa Melayu No. 1 position held by Berita Harian the year before, but Berita Harian remained strong against its competitors during the year under review.

In addition to fortifying its content on a total basis, the newspaper also concentrated on enhancing its educational supplements, Didik, Minda Pelajar, and Skor aimed at helping primary and secondary school students sitting for UPSR, PMR and SPM examinations.

Event wise, the newspaper organised the popular "Anugerah Bintang Popular Berita Harian 2005" which culminated in an Awards ceremony held on 26 February 2006 at the Arena of the Stars, Genting Highlands. This event, aired live on television, became one of the most watched programme in the year 2006. The Award has always been popular with

Berita Harian readers who write in to vote for their favourite Malaysian artistes nominated in various categories. In 2006 Berita Harian also introduced its mobile interactive service "Rakan BH" which was well received by its readers throughout the year.

NEW STRAITS TIMES - PROVOKING THOUGHTS, BROADENING PERSPECTIVES

After taking the bold step of going fully compact in 2005, the New Straits Times went a step further in March 2006 by adopting the "seamless" approach to its content and page layout. Although this new integration approach was introduced subtly, the focus by the newspaper to bring quality content to its readers in tandem with the new design approach, as well as the interest shown by the public of the revamped opinion and editorial section, sparked a renewed interest towards the newspaper that had seemed lacking in the past several years. Despite the financial restraint from producing more pages compared to its competitor, the New Straits Times was able to set itself apart in the market and develop its own distinct voice. It was encouraging to note that by the financial year ended 2006, circulation of the New Straits Times continued to grow, albeit slowly and steadily.

During 2006, the New Straits Times continued to promote for the second year running, the School Sponsorship Programme ("SSP"), a programme which invited individuals and companies to sponsor copies of the paper at a subsidized rate to schools of their choice. A survey on the 978 schools which participated in the first year, revealed that there was a 76.7% increase in interest to read the newspaper and a 60.3% increase in enhanced vocabulary range among students. This would not have been possible without the generous support of 232 corporate and individual sponsors.

In addition, the newspaper also organized several other prestigious events, notably Malaysia's CEO of the Year Award 2006 and the Car of the Year Award 2006. The CEO of the Year 2006 event drew 71 nominations and attracted some 300 top Malaysia corporate leaders to its award presentation night held on 12 September 2006. Likewise, the Car of the Year Award has gained prominence over the years for its recognition of motor excellence in Malaysia. The Awards ceremony was held on 29 November 2006 to award winners in 11 categories.

MALAY MAIL - REBRANDING AND REPOSITIONING

As reported in the last Annual Report, the revamped Malay Mail and its weekend counterpart, Weekend Mail were introduced on 22 and 20 May 2006 respectively. As the new Malay Mail/Weekend Mail is a niche market product, it requires a longer gestation period for market acceptance. The paper is now aimed at a younger urban market, especially in the Klang Valley, and adopts a more contemporary news reporting style. Arising from survey feedback following the launch, it was found that "hard news" is still the compelling element of readers' choice. With this, additional pages catering to current affairs and hard news have been incorporated as one of the key contents of The Malay Mail.

ON-LINE PUBLISHING

The on-line publishing business is operated by the Group's wholly owned subsidiary, NSTP e-Media Sdn Bhd ("e-Media"). Its website, www.e-media.com.my, provides the gateway to all the on-line publications within the Group. In addition, the website provides services such as offering subscription of news archives, offering on-line advertisement spaces, offering subscription of the digital versions of the Group's newspapers, and providing the on-line site for the Group's classifieds. E-Media also maintains the

websites of the respective Group on-line newspapers, namely www.nst.com.my, www.mmail.com.my, www.bharian.com.my, and www.hmetro.com.my.

Although the on-line publishing business contributed marginally towards the Group's bottomline during the year under review, the undeniable presence of the Internet makes e-Media an integral division within the Group.

OUTDOOR ADVERTISING

The market saw a growth in the outdoor advertising structures of various sizes, mostly being newly built in the Klang Valley areas. At the same time, a considerable number of unoccupied sites were seen in the same area possibly due to a glut of sites turning the industry into a buyers' market.

Despite the challenges of stiff competition within the outdoor advertising industry, The Right Channel Sdn Bhd ("TRC") found that the demand for its advertising sites in the ERL concession areas to be consistent, and therefore focused its development activities to the expansion of the area. New sites were built on the ERL overhead bridges at Taman Seputeh, Sepang and Plaza Pantai. In addition some of the panels at the ERL platforms and stations were creatively upgraded to meet customers requirement.

Towards the end of the financial year ended 31 December 2006, the Group divested TRC to its major shareholder, Media Prima Berhad ('Media Prima'). The disposal was in line with the Group's commitment to concentrate on newspaper publishing and provided the avenue for Media Prima to build a complete media platform for its own group of companies. The sale was concluded on 28 February 2007.

INDUSTRY SCENARIO AND FUTURE OUTLOOK

For the financial year ended 31 December 2006, Malaysia registered a total Adex of RM4.76 billion compared to RM4.56 billion the year before. Out of this total Adex, newspapers held some 58% market share followed by television with 31%. However, despite holding the largest portion of the Adex pie, newspaper spending itself had dropped slightly by 1% to RM2.74 billion compared to the previous year.

In 2006, newsprint prices remained high at USD650 per metric tonne compared to USD630 per metric tonne in 2005. Moving forward, the introduction of competitively priced newsprint from China will become a significant factor in the Group's purchasing strategy for the year.

With the scenario on hand, the Group is geared towards facing the regional and global challenges ahead by fortifying its own internal strengths while at the same time leveraging on new media platforms that have emerged in the past decade or so.





FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the publishing and sale of newspapers and investment holding. The principal activities of the Group consist of the publishing and sale of newspapers and magazines, provision of editorial services, provision of internet based on-line services, outdoor and media advertising, property management services and investment holding.

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

The principal activities of the subsidiary and associated companies are set out in Note 35 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	<u>24,561</u>	<u>526,905</u>

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2005 are as follows:

	RM'000
In respect of financial year ended 31 December 2005, a final gross dividend of 5 sen per share on 217,227,804 ordinary shares, less income tax of 28%, paid on 20 July 2006	<u>7,821</u>

The Directors recommend the payment of special gross dividend of 5 sen per share and a final gross dividend of 5 sen per share for a total dividend of 10 sen per share on 217,227,804 ordinary shares, less income tax of 27%, amounting to RM15,858,000 for the financial year ended 31 December 2006, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

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

There were no new shares issued during the current financial year.

EMPLOYEES' SHARE OPTION SCHEME

On 28 January 2004, pursuant to approval of an Employees' Share Option Scheme ("ESOS") by the members of the Company at an Extraordinary General Meeting ("EGM") held on 12 January 2004, options of 20,739,900 ordinary shares of RM1.00 each of the Company were granted to all eligible employees of the Company and/or its subsidiary companies including full-time Executive Directors of the Company at an option price of RM4.05 per share. The main features of the ESOS are as follows:

- (i) Eligible employees are employees who have been in the service with the Company and/or its subsidiary companies for a continuous period of six (6) months, including service during the probation period, as at 16 January 2004.
- (ii) Eligible staff employed on contract of service basis are staff who have been in the service with the Company and/or its subsidiary companies for a minimum of one (1) year as at 16 January 2004.
- (iii) The ESOS shall continue to be in force for a maximum period of five (5) years commencing 28 January 2004. These share options will expire on 27 January 2009.
- (iv) An option can be exercised by eligible employees by notice in writing to the Company during the option period in respect of all or any part of the new ordinary shares of the Company in multiples of and not less than one hundred (100) ordinary shares.

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

- (v) Eligible employees serving under a contract of service may exercise any remaining option exercisable in the year in which his said contract is due to expire before the expiry of the said contract if the remaining duration of the said contract as at the date on which the options are granted is less than the option period.
- (vi) Subject to the Bye-Laws, the right of any employee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceeding may give rise to a dismissal or termination of service of such employee) to exercise his option shall be suspended immediately upon his receipt of a notice by the Company that he is being so subjected to Disciplinary Proceedings (whether by receipt of a notice of show cause or charge or otherwise), without any specific notice of such suspension by the Company, pending the outcome of such Disciplinary Proceedings.
- (vii) The total number of ordinary shares which may be made available under the ESOS shall not exceed 10% of the total number of issued and paid-up ordinary share capital of the Company at any one time during the existence of the ESOS.
- (viii) Not more than fifty percent (50%) of the new shares which may be issued and allotted pursuant to the scheme shall be allocated in aggregate to Executive Directors and Senior Management of the Group but not more than ten percent (10%) of the new shares which may be issued and allocated pursuant to the scheme shall be allocated to any eligible individual employee of the Group who either singularly or collectively through one or more of his associates holds twenty percent (20%) or more in the issued and paid-up share capital of the Company.
- (ix) The option price of RM4.05 per share was determined by the Board upon recommendation of the Option Committee which is set at a discount of not more than ten percent (10%) from the weighted average market price of the Company's shares for the five (5) market days immediately preceding the date of offer or such other percentage as may be allowed by the relevant authorities from time to time.

The persons to whom the options have been granted have no right to participate, by the virtue of the option, in any share issue of any other company.

On 28 September 2004, the Option Committee approved additional allocations of share options to newly eligible employees who have been in service for at least six (6) months or one (1) year, where applicable, as at 16 September 2004. There were 784,300 options offered at RM3.55 per share. These share options will expire on 27 January 2009.

The option price of RM3.55 per share was determined by using the average market price of the Company's shares for the five (5) market days immediately preceding the date of offer of the options, or par value of the Company shares of RM1.00, whichever is higher.

Following the approval obtained from its shareholders at an EGM held on 31 January 2005, the Option Committee allocated 450,000 options at RM3.51 per share on 2 February 2005 to YBhg Dato' Kalimullah bin Masheerul Hassan, the then Group Editor-in-Chief and Executive Director of the Company.

YBhg Dato' Kalimullah bin Masheerul Hassan's contract as Group Editor-in-Chief with the Company expired on 31 December 2005. Subsequently, he was appointed as a Non-Independent Non-Executive Deputy Chairman of the Company with effect from 1 January 2006.

Following this, the Option Committee approved YBhg Dato' Kalimullah bin Masheerul Hassan to continue to hold and exercise his unexercised options until 31 December 2006, being one year from the date of cessation of his contract as Group Editor-in-Chief.

Movements in the number of share options outstanding are as follows:

	Number of options over ordinary shares of RM1.00 each		
	Option price per share at RM4.05	Option price per share at RM3.55	Option price per share at RM3.51
At 1 January 2006	17,569,600	601,300	450,000
Lapsed	(797,000)	(105,000)	0
At 31 December 2006	<u>16,772,600</u>	<u>496,300</u>	<u>450,000</u>

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

All the new ordinary shares to be allotted relating to the ESOS shall rank pari passu in all respects with the existing ordinary shares of the Company, except that the shares so issued will not be entitled to any dividends, rights allotments or any other distributions prior to the date of allotment of new shares.

DIRECTORS

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

YBhg Dato' Seri Mohamed Jawhar

YBhg Dato' Kalimullah bin Masheerul Hassan

YBhg Dato' Syed Faisal Albar bin Syed A.R Albar

YBhg Dato' Zolkipli bin Abdul

Encik Abdul Rahman bin Ahmad

Encik Shahril Ridza bin Ridzuan

YBhg Dato' Dr Mohd Shahari bin Ahmad Jabar

YBhg Dato' Abdul Mutalib bin Mohamed Razak

YBhg Dato' Hishamuddin bin Aun

(appointed on 27 June 2006)

YBhg Jeneral (B) Tan Sri Dato' Mohd Ghazali bin Haji Che Mat

(retired on 27 June 2006)

Encik Shivadas s/o PK Raman

(retired on 27 June 2006)

In accordance with Article 108 of the Company's Articles of Association, YBhg Dato' Zolkipli bin Abdul, YBhg Dato' Seri Mohamed Jawhar and YBhg Dato' Abdul Mutalib bin Mohamed Razak retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 113 of the Company's Articles of Association, YBhg Dato' Hishamuddin bin Aun retires at the forthcoming Annual General Meeting and, being eligible, offers himself for 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, except for the extension of share options granted to a Non-Independent Non-Executive Deputy Chairman of the Company pursuant to the Company's ESOS during the financial year.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

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

Shareholdings in the name of the Director	At date of appointment	Number of ordinary shares of RM1.00 each			At 31.12.2006
		Acquired	Disposed		
YBhg Dato' Hishamuddin bin Aun	5,000	0	0		5,000
		Number of options over ordinary shares of RM1.00 each			
	At 1.1.2006/ date of appointment	Granted	Exercised	Lapsed	At 31.12.2006
YBhg Dato' Kalimullah bin Masheerul Hassan	450,000	0	0	0	450,000
YBhg Dato' Syed Faisal Albar bin Syed A.R Albar	450,000	0	0	0	450,000
YBhg Dato' Hishamuddin bin Aun	135,000	0	0	0	135,000

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 shares in the Company, or shares in or debentures of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

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

In the opinion of the Directors:

- (a) except as disclosed in Note 29 to the financial statements, the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in Note 36 to the financial statements, 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 Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) In January 2006, a voluntary separation scheme ("VSS") was implemented and offered to the eligible employees of the Group and Company, as a result of an internal reorganisation in order to reduce operating costs and redundancy of employees. The amounts paid to the employees of the Group and Company were RM28,348,000 and RM18,962,000 respectively during the financial year pursuant to the VSS.
- (b) The Company obtained approval from its shareholders at an EGM held on 31 January 2005, on the proposed allocation of ESOS to YBhg Dato' Kalimullah bin Masheerul Hassan, the then Group Editor-in-Chief and Executive Director of the Company. Subsequently, the Option Committee allocated 450,000 options at RM3.51 per share on 2 February 2005 to YBhg Dato' Kalimullah bin Masheerul Hassan.
YBhg Dato' Kalimullah bin Masheerul Hassan's contract as Group Editor-in-Chief with the Company expired on 31 December 2005. Subsequently, he was appointed as a Non-Independent Non-Executive Deputy Chairman of the Company with effect from 1 January 2006. Following this, the Option Committee approved YBhg Dato' Kalimullah bin Masheerul Hassan to continue to hold and exercise his unexercised options until 31 December 2006, being one year from the date of cessation of his contract as Group Editor-in-Chief.
- (c) On 28 September 2006, a special resolution was passed at an EGM for Pitsan Sdn Bhd ("Pitsan"), a wholly-owned subsidiary company of the Company, to be wound up via a Member's Voluntary Liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The appointed joint and several liquidators are Chin Kim Chung and Loh Kok Leong of Russell Bedford LC & Company, Chartered Accountants, 10th Floor, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur.

Pitsan's investments in Basshell Holdings Limited ("Basshell") and Worldbase Investment Limited ("Worldbase"), its wholly-owned subsidiary companies, which were fully provided for, were transferred to the Company at a net book value of RM1.

Following the liquidation, a Deed of Assignment and Distribution Agreement dated 20 November 2006 was signed between Pitsan and the Company whereby both parties agreed that the debt due from the Company to Pitsan would be assigned to the Company, and construed as a capital return of surplus funds by way of distribution in specie to the Company. On 14 December 2006, the first interim return of surplus assets of Pitsan amounting to RM507,871,000 was declared and distributed to the Company.

SIGNIFICANT POST BALANCE SHEET EVENT

The significant post balance sheet event is as disclosed in Note 36 to the financial statements.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 April 2007.

DATO' SERI MOHAMED JAWHAR
CHAIRMAN

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR
CHIEF EXECUTIVE OFFICER

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Seri Mohamed Jawhar and Dato' Syed Faisal Albar bin Syed A.R Albar, two of the Directors of The New Straits Times Press (Malaysia) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 175 to 215 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2006 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the Malaysian Accounting Standards Board ("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 16 April 2007.

DATO' SERI MOHAMED JAWHAR
CHAIRMAN

DATO' SYED FAISAL ALBAR BIN SYED A.R ALBAR
CHIEF EXECUTIVE OFFICER

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Jezilee bin Mohamad Ramli, the officer primarily responsible for the financial management of The New Straits Times Press (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 175 to 215 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.

JEZILEE BIN MOHAMAD RAMLI
CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the abovenamed Jezilee bin Mohamad Ramli at Kuala Lumpur on 16 April 2007.

Before me: **MOHD RADZI BIN YASIN**
(No. W327)
COMMISSIONER FOR OATHS



PricewaterhouseCoopers (AF 1146)
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50706 Kuala Lumpur, Malaysia
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REPORT OF THE AUDITORS TO THE MEMBERS OF THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

(Company No. 4485 H)

We have audited the financial statements set out on pages 175 to 215. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

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

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

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

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
16 April 2007

SRIDHARAN NAIR

(No. 2656/05/08 (J))
Partner of the firm

	Note	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Revenue	7	520,063	531,684	507,803	516,744
Cost of sales		(395,453)	(400,835)	(379,743)	(390,502)
Gross profit		<u>124,610</u>	<u>130,849</u>	<u>128,060</u>	<u>126,242</u>
Other operating income (including a gain on liquidation of a subsidiary company of RM497,871,000 (2005: Nil) for the Company, and write-back of impairment loss on property, plant and equipment of RM85,792,000 (2005: RM24,885,000) for the Group and Company)		100,714	35,585	600,362	79,697
Distribution costs		(32,931)	(31,742)	(32,931)	(31,739)
Administrative expenses (including impairment loss on property, plant equipment of RM32,709,000 (2005: RM113,000) and RM32,534,000 (2005: Nil) for the Group and Company respectively)		(149,726)	(99,489)	(146,340)	(98,325)
Other operating expenses		0	(250)	0	0
Finance income	11	0	153	1,504	1,655
Finance costs	11	(10,772)	(12,280)	(10,872)	(12,280)
Share of results of associated companies		6,017	6,481	0	0
Profit before taxation	8	<u>37,912</u>	<u>29,307</u>	<u>539,783</u>	<u>65,250</u>
Tax expense	12	(13,351)	(16,903)	(12,878)	(16,685)
Profit for the financial year		<u>24,561</u>	<u>12,404</u>	<u>526,905</u>	<u>48,565</u>
Earnings per share (sen)					
- basic	13	11.31	5.71		
- diluted	13	<u>11.31</u>	<u>5.71</u>		

The accompanying notes form an integral part of these financial statements.

	Note	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	695,562	678,735	694,961	678,040
Investment properties	15	32,544	37,980	7,795	8,015
Prepaid lease payment		4,718	5,351	2,408	2,923
Subsidiary companies	16	0	0	5,107	18,657
Amount due from a subsidiary company	31	0	0	30,835	32,383
Associated companies	17	190,629	184,612	224,188	224,188
Other investments	18	1,224	2,532	1,193	2,426
Deferred tax assets	26	4,927	18,960	3,719	16,597
		<u>929,604</u>	<u>928,170</u>	<u>970,206</u>	<u>983,229</u>
CURRENT ASSETS					
Prepaid lease payment		1,227	1,230	1,186	1,195
Inventories	20	155,116	147,151	155,116	147,145
Receivables	21	99,962	113,180	96,968	102,740
Amounts due from related parties	31	0	0	1,052	1,731
Marketable securities	22	0	590	0	0
Tax recoverable		1,742	6,297	1,735	3,538
Deposits, bank and cash balances	23	27,887	13,717	26,975	10,666
		<u>285,934</u>	<u>282,165</u>	<u>283,032</u>	<u>267,015</u>
Non-current assets held for sale	19	7,438	192	10,938	0
		<u>293,372</u>	<u>282,357</u>	<u>293,970</u>	<u>267,015</u>
LESS: CURRENT LIABILITIES					
Payables	24	67,947	64,317	57,281	49,755
Amounts due to subsidiary companies	31	0	0	12,559	9,499
Bank borrowings	25	220,000	228,226	220,000	228,226
Current tax liabilities		2,368	1,684	0	0
		<u>290,315</u>	<u>294,227</u>	<u>289,840</u>	<u>287,480</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>3,057</u>	<u>(11,870)</u>	<u>4,130</u>	<u>(20,465)</u>
NON-CURRENT LIABILITIES					
Amount due to a subsidiary company	31	0	0	0	507,512
Deferred tax liabilities	26	100	914	0	0
		<u>100</u>	<u>914</u>	<u>0</u>	<u>507,512</u>
		<u>932,561</u>	<u>915,386</u>	<u>974,336</u>	<u>455,252</u>

	Note	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
CAPITAL AND RESERVES					
Share capital	27	217,228	217,228	217,228	217,228
Share premium		183,082	183,082	183,082	183,082
Capital redemption reserve		0	42,000	0	0
Other reserves		0	(142)	0	0
Foreign exchange reserve		0	(293)	0	0
Retained earnings	28	<u>532,251</u>	<u>473,511</u>	<u>574,026</u>	<u>54,942</u>
Shareholders' equity		<u>932,561</u>	<u>915,386</u>	<u>974,336</u>	<u>455,252</u>

The accompanying notes form an integral part of these financial statements.

	Issued and fully paid ordinary shares of RM1.00 each			Capital redemption reserve RM'000	Other reserves RM'000	Foreign exchange reserve RM'000	Retained earnings RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000					
At 1 January 2006	217,228	217,228	183,082	42,000	(142)	(293)	473,511	915,386
Profit for the financial year	0	0	0	0	0	0	24,561	24,561
Transfer from capital redemption reserve	0	0	0	(42,000)	0	0	42,000	0
Share of foreign exchange difference in associated company	0	0	0	0	142	293	0	435
Dividend (Note 37)	0	0	0	0	0	0	(7,821)	(7,821)
At 31 December 2006	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>532,251</u>	<u>932,561</u>
At 1 January 2005	217,218	217,218	183,051	42,000	(142)	(145)	468,928	910,910
Issuance of shares (Note 27)	10	10	31	0	0	0	0	41
Profit for the financial year	0	0	0	0	0	0	12,404	12,404
Share of foreign exchange difference in associated company	0	0	0	0	0	(148)	0	(148)
Dividend (Note 37)	0	0	0	0	0	0	(7,821)	(7,821)
At 31 December 2005	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>42,000</u>	<u>(142)</u>	<u>(293)</u>	<u>473,511</u>	<u>915,386</u>

The accompanying notes form an integral part of these financial statements.

	Issued and fully paid ordinary shares of RM1.00 each	Non- distributable Share premium	Distributable Retained earnings	Total	
	Number of shares '000	Nominal value RM'000	RM'000	RM'000	
At 1 January 2006	217,228	217,228	183,082	54,942	455,252
Profit for the financial year	0	0	0	526,905	526,905
Dividend (Note 37)	0	0	0	(7,821)	(7,821)
At 31 December 2006	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>574,026</u>	<u>974,336</u>
At 1 January 2005	217,218	217,218	183,051	14,198	414,467
Issuance of shares (Note 27)	10	10	31	0	41
Profit for the financial year	0	0	0	48,565	48,565
Dividend (Note 37)	0	0	0	(7,821)	(7,821)
At 31 December 2005	<u>217,228</u>	<u>217,228</u>	<u>183,082</u>	<u>54,942</u>	<u>455,252</u>

The accompanying notes form an integral part of these financial statements.

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the financial year	24,561	12,404	526,905	48,565
Adjustments for:				
Share of results of associated companies	(6,017)	(6,481)	0	0
Property, plant and equipment:				
- depreciation	40,559	43,665	40,074	43,140
- write-offs	0	124	0	0
- impairment loss	32,709	113	32,534	0
- write-back of impairment loss	(85,792)	(24,885)	(85,792)	(24,885)
- gain on disposal	(1,878)	(735)	(1,878)	(132)
Investment properties:				
- depreciation	586	642	220	220
- impairment loss	4,897	96	0	0
- gain on disposal	0	(12)	0	0
Prepaid lease payment:				
- amortisation	132	132	98	96
- impairment loss	51	50	49	0
Gain on disposal of investments	(576)	0	(542)	0
Loss on disposal of marketable securities	0	27	0	0
Allowance for/(write-back of) diminution in value of:				
- other investments	(463)	183	(257)	171
- marketable securities	0	197	0	0
Gain on liquidation of a subsidiary company	0	0	(497,871)	0
Impairment loss/(write-back) of investment:				
- subsidiary companies	0	0	50	196
- associated companies	0	4,751	0	(41,301)
Allowance for/(write-back of) doubtful debts:				
- subsidiary companies	0	0	4,113	7,614
- associated companies	0	(7,651)	0	0
- trade and other receivables	(193)	(31)	882	1,218
Write-back of allowance for stock obsolesces	(156)	0	(156)	0
Interest expense	10,493	9,227	10,594	9,227
Interest income	0	(153)	(1,504)	(1,655)
Dividend income	(9)	(7)	(2,677)	(3,729)
Taxation	13,351	16,903	12,878	16,685
	<u>32,255</u>	<u>48,559</u>	<u>37,720</u>	<u>55,430</u>
Changes in working capital:				
Inventories	(7,816)	862	(7,816)	851
Receivables	13,411	18,474	4,890	15,947
Payables	4,065	(7,236)	7,526	(12,714)
Intercompany balances	0	7,651	(8,467)	11
	<u>41,915</u>	<u>68,310</u>	<u>33,853</u>	<u>59,525</u>
Tax refunded, net of tax paid	5,114	4,628	1,804	3,192
Interest paid	(10,493)	(9,227)	(10,594)	(9,227)
Interest received	0	153	1,504	1,655
Net cash inflow from operating activities	<u>36,536</u>	<u>63,864</u>	<u>26,567</u>	<u>55,145</u>

	Note	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		9	7	2,677	3,729
Proceeds from:					
- disposal of non-current assets held for sale		0	900	0	0
- disposal of property, plant and equipment		12,023	1,068	12,023	405
- disposal of investment properties		145	0	0	0
- disposal of prepaid lease payment		76	0	0	0
- disposal of other investments		2,732	0	2,032	0
- redemption of investments		205	0	0	0
- liquidation of a subsidiary company		0	0	10,000	4
Purchase of:					
- property, plant and equipment		(21,509)	(10,503)	(20,943)	(9,757)
- other investments		0	(40)	0	0
Net cash (outflow)/inflow from investing activities		<u>(6,319)</u>	<u>(8,568)</u>	<u>5,789</u>	<u>(5,619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of other bank borrowings		(8,226)	(128,133)	(8,226)	(128,028)
Drawdown of other bank borrowings		0	78,000	0	78,000
Repayment of advances by subsidiary companies		0	0	0	50,268
Repayment of advances due to subsidiary company		0	0	0	(43,544)
Issuance of shares:					
- exercise of share options		0	41	0	41
Dividends paid to shareholders		(7,821)	(7,821)	(7,821)	(7,821)
Net cash outflow from financing activities		<u>(16,047)</u>	<u>(57,913)</u>	<u>(16,047)</u>	<u>(51,084)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14,170	(2,617)	16,309	(1,558)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>12,717</u>	<u>15,334</u>	<u>9,666</u>	<u>11,224</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30	<u><u>26,887</u></u>	<u><u>12,717</u></u>	<u><u>25,975</u></u>	<u><u>9,666</u></u>

The accompanying notes form an integral part of these financial statements.

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company consist of the publishing and sale of newspapers and investment holding. The principal activities of the Group consist of the publishing and sale of newspapers and magazines, provision of editorial services, provision of internet based on-line services, outdoor and media advertising, property management services and investment holding. There have been no significant changes in the nature of these activities during the financial year. The principal activities of the subsidiary and associated companies are set out in Note 35 to the financial statements.

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

The address of the registered office and the principal place of business of the Company is Balai Berita, 31 Jalan Riong, 59100 Kuala Lumpur, Malaysia.

2 BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies. The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies' Act 1965 and Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and 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 financial statements, are disclosed in Note 4.

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

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

- FRS 1 First-time Adoption of Financial Reporting Standards
- FRS 2 Share-based Payment
- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Presentation of Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effect of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investments in Associates
- FRS 131 Interests in Joint Ventures
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 138 Intangible Assets
- FRS 140 Investment Property
- Amendment to FRS 119²⁰⁰⁴ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures – in relation to the "asset ceiling" test
- IC 107 Introduction of the Euro
- IC 110 Government Assistance – No specific Relation to Operating Activities
- IC 112 Consolidation – Special Purpose Entities
- IC 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers
- IC 115 Operating Leases – Incentives
- IC 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets
- IC 125 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
- IC 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IC 129 Disclosure – Service Concession Arrangements
- IC 131 Revenue – Barter Transactions Involving Advertising Services
- IC 132 Intangible Assets – Web Site Costs

2 BASIS OF PREPARATION (cont'd)**(a) Standards, amendments to published standards and interpretation that are effective (cont'd)**

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

- FRS 2 – retrospective application for all equity instruments granted after 31 December 2004 and not vested as at 1 January 2006;
- FRS 3 – prospectively for business combinations for which the agreement date is on or after 1 January 2006;
- FRS 5 – prospectively to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and to operations that meet the criteria to be classified as discontinued on/after 1 January 2006;
- FRS 116 – the exchange of property, plant and equipment is accounted at fair value prospectively;
- FRS 121 – prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- FRS 140 – the effect of adopting the fair value model is adjusted to the opening balance of retained earnings for the financial year.

A summary of the impact of the new accounting standards, amendments to published standards and interpretations to existing standards on the financial statements of the Group and Company is set out in Note 29 to the financial statements.

(b) Standards early adopted by the Group and Company

The new standards that are mandatory for the Group's and Company's financial years beginning on or after 1 January 2007 or later periods, of which the Group and Company have early adopted, are as follows:

- FRS 117 Leases (effective for accounting periods beginning on or after 1 October 2006). This standard requires the classification of leasehold land as prepaid lease payments.

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

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

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

(d) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations

- FRS 6 Exploration for and Evaluation of Mineral Resources (effective for accounting periods beginning on or after 1 January 2007). FRS 6 is not relevant to the Group's and Company's operations as the Group and Company do not carry out exploration for and evaluation of mineral resources.
- Amendment to FRS 119²⁰⁰⁴ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures (effective for accounting periods beginning on or after 1 January 2007). This amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. FRS 119²⁰⁰⁴ is not relevant to the Group's and Company's operations as the Group and Company do not have any defined benefit plans.
- Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2007). This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in. FRS 121 is not relevant to the Group's and Company's operations as the Group and Company do not have a foreign operation.

2 BASIS OF PREPARATION (cont'd)**(d) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations (cont'd)**

- IC Interpretation 8 Scope of FRS 2 (effective for accounting periods beginning on or after 1 July 2007). This interpretation clarifies that FRS 2 Share-based Payment applies even in the absence of specifically identifiable goods and services. The Group and Company will apply this IC Interpretation from financial years beginning on 1 January 2008.
- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (effective for accounting periods beginning on or after 1 July 2007). This interpretation deals with changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate.
- IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (effective for accounting periods beginning on or after 1 July 2007).
- IC Interpretation 5 Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds (effective for accounting periods beginning on or after 1 July 2007).
- IC Interpretation 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective for accounting periods beginning on or after 1 July 2007).
- IC Interpretation 7 Applying the Restatement Approach under FRS 129²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies (effective for accounting periods beginning on or after 1 July 2007).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements unless otherwise stated:

(a) Subsidiary companies and basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies 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.

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 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 the accounting policy Note 3(c) 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 interest represents that portion of the profit or loss and net assets off a subsidiary attributable to equity interests 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 previous held interests of the Group is accounted for as a revaluation.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(a) Subsidiary companies and basis of consolidation (cont'd)**

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

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 related to the subsidiary, and is recognised in the consolidated income statement

(b) Associated companies

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 loss (see Note 3(h)).

The Group's share of its associates' post-acquisition profits or losses is recognised in the 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 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 of any previously acquired stake and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

(c) Goodwill

Goodwill represents the excess or deficit of the cost of acquisition of subsidiary and associated companies over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill was previously written off against the Group's retained earnings. With the adoption of FRS - 138 Intangible Assets, goodwill is capitalised and carried at cost less accumulated impairment losses. Goodwill is tested annually for impairment, and when there is an indication for impairment. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. See accounting policy Note 3(h) on impairment of assets.

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.

(d) Research and development

Research and development costs are charged to the income statement in the financial year in which it is incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent financial year. Capitalised development cost are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life not exceeding five years.

Development assets are tested for impairment annually in accordance with FRS 136.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Property, plant and equipment

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

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

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

● Buildings	- 40 to 50 years
● Plant and machinery	- 5 to 25 years
● Motor vehicles	- 5 years
● Furniture, computer and equipment	- 3 to 10 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date. The Group revised the residual values of certain buildings at the balance sheet date. The revision was accounted for as change in accounting estimate and as a result, the depreciation charge for the current and future financial years will reduce by RM1,322,000 annually. The Group also revised the residual values and useful lives of certain software and motor vehicles during the financial year. The revisions were accounted for as a change in accounting estimate and as a result, the depreciation charge for the current and future financial years will reduce by RM531,000 annually.

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 3(h) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

(f) Investment properties

Investment properties, comprising principally land and office buildings, are 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 any accumulated depreciation and impairment losses. Investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives of 50 to 99 years.

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

(g) Investments

Investments in subsidiary and associated companies are stated at cost. 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 3(h) on impairment of assets.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(g) Investments (cont'd)**

Marketable securities are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Cost is determined on the weighted average cost basis. Market value is calculated by reference to the stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amounts of marketable securities are credited or charged to the income statement.

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

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

(h) 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 and 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 impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Leases

Leases of assets under which all the risks and benefits of ownership are effectively 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.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct labour, materials, sub-contract costs and related expenses and is determined on a weighted average basis. Cost in the case of system work-in-progress includes direct staff costs, data processing equipment and related expenses.

Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and applicable variable selling expenses.

(k) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year in which they are identified.

(l) Cash and cash equivalents

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

(m) Borrowings**Classification**

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(m) Borrowings (cont'd)****Capitalisation of borrowing costs**

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

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.

(n) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including real property gains taxes payable on disposal of properties.

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 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 subsidiary and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference 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.

(o) Provisions

Provisions are recognised when the Group and Company have 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 and Company expect 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 leases.

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.

(p) 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.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(p) Contingent liabilities and contingent assets (cont'd)**

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137²⁰⁰⁴ and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118²⁰⁰⁴.

(q) Revenue recognition

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

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

(a) Sale of products and services

Revenue from the sale of the Group's products and services after accounting for trade discounts and returns is recognised on completion of delivery.

Revenue from advertisements is recognised when the advertisement is published or broadcast.

(b) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

(c) Rental income

Revenue from rental and rental-related services is recognised as and when these services are rendered.

(d) Dividend income

Dividend income from investments in subsidiary companies, associated companies and other investments is accounted for when the Group's and the Company's right to receive payment is established.

(r) Employee benefits**(i) Short-term employee benefits**

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and bonuses are accrued in the financial year in which the associated services are rendered by employees.

(ii) Post-employment benefits - Defined contribution plan

Contributions to the Employees' Provident Fund, the national defined contribution plan, are charged to the income statement in the financial year to which they relate. Once the contributions have been paid, the Group and Company have 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Employee benefits (cont'd)

(iii) Termination benefits

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

(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 is recognised as an expense in the income statement over the vesting periods of the grant, with a corresponding increase in equity.

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

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

(s) Foreign currencies

(a) Presentation and functional 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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(t) Financial instruments

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(t) Financial instruments (cont'd)****Recognition method**

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

Fair value estimation for disclosure purposes

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

The carrying values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(u) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, 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, expense, assets and liabilities are estimated before intragroup balances, and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group companies within a single segment.

(v) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and 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 a continuing use.

(w) Prepaid expenditure

Prepaid expenditure is in respect of prepaid lease payment for land, which are charged to the income statement on a straight line basis over the respective period of the leases, ranging between 40 and 96 years.

4 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 and that are believed to be reasonable under the circumstances.

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:

(a) Estimated reversal for impairment of regional printing plants

The Group and Company test its regional printing plants ("RPPs") for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The recoverable amounts of the RPPs were determined based on the value in use calculation. The calculations require the use of estimates as set out in Note 6 to the financial statements.

If the estimated foreign currency translation used for purpose of assessment of impairment of the RPP had been 1% higher than management's estimate (for example USD1:RM3.54, instead of USD1:RM 3.50 in 2007 and USD1:RM3.45 in subsequent financial years), the write-back of impairment loss of the RPPs would be reduced by approximately RM45 million.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)**(a) Estimated reversal for impairment of regional printing plants (cont'd)**

If the estimated pre-tax discount rate applied to the discounted cash flows had been 10% higher than the management's estimate (for example 11.70%, instead of 10.64%), the write-back of impairment loss of the RPPs would be reduced by approximately RM24 million.

(b) Deferred tax asset

Deferred tax asset is recognised to the extent that it is probable that future taxable profit 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.

(c) Estimation of income taxes

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

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

(d) Assessment of impairment of investments

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

(e) Contingent liabilities

The Group has several pending legal cases which are disclosed in Note 32 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.

Critical judgements in applying the Company's accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where choice of specific policy could materially affect the reported results and financial position of the Group and Company. However, the Directors are of the opinion that there are currently no accounting policies which require significant judgement to be exercised.

5 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.
- interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
- cash flow 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.
- 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 enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

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

5 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Foreign currency exchange risk

The currency exposure of financial assets and financial liabilities of the Group and Company that are not denominated in the functional currency of the respective companies is set out below.

	Currency exposure at 31.12.2006			
	RM RM'000	USD RM'000	Others RM'000	Total RM'000
Group				
Other investments	1,224	0	0	1,224
Marketable securities	0	0	0	0
Receivables	99,417	81	464	99,962
Deposits, bank and cash balances	27,782	38	67	27,887
Payables - external	(67,803)	(129)	(15)	(67,947)
Bank borrowings	(220,000)	0	0	(220,000)
	<u>(159,380)</u>	<u>(10)</u>	<u>516</u>	<u>(158,874)</u>
Company				
Other investments	1,193	0	0	1,193
Receivables:				
- external	96,539	0	429	96,968
- intragroup	31,887	0	0	31,887
Deposits, bank and cash balances	26,936	0	39	26,975
Payables:				
- external	(57,137)	(129)	(15)	(57,281)
- intragroup	(12,559)	0	0	(12,559)
Bank borrowings	(220,000)	0	0	(220,000)
	<u>(133,141)</u>	<u>(129)</u>	<u>453</u>	<u>(132,817)</u>
Currency exposure at 31.12.2005				
	RM RM'000	USD RM'000	Others RM'000	Total RM'000
Group				
Other investments	2,532	0	0	2,532
Marketable securities	590	0	0	590
Receivables	105,765	7,398	17	113,180
Deposits, bank and cash balances	11,532	946	1,239	13,717
Payables - external	(56,659)	(7,430)	(228)	(64,317)
Bank borrowings	(228,226)	0	0	(228,226)
	<u>(164,466)</u>	<u>914</u>	<u>1,028</u>	<u>(162,524)</u>
Company				
Other investments	2,426	0	0	2,426
Receivables:				
- external	102,687	53	0	102,740
- intragroup	34,114	0	0	34,114
Deposits, bank and cash balances	9,573	0	1,093	10,666
Payables:				
- external	(49,503)	(176)	(76)	(49,755)
- intragroup	(517,011)	0	0	(517,011)
Bank borrowings	(228,226)	0	0	(228,226)
	<u>(645,940)</u>	<u>(123)</u>	<u>1,017</u>	<u>(645,046)</u>

* Currency exposure under "Others" principally relates to SGD, Baht and Euro.

5 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Interest rate risk

The Group and Company manage their interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group's exposure to risk that the value of a financial instrument will fluctuate due to changes in market interest rates is disclosed in the fair value table below.

(c) Fair values

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

	Carrying value RM'000	Group Fair value RM'000	Carrying value RM'000	Company Fair value RM'000
At 31 December 2006				
Other investments:				
- quoted shares	1	1	1	1
- redeemable unsecured loan stocks	28	27	0	0
Advance to a subsidiary company	0	0	30,835	28,551
	<u>0</u>	<u>0</u>	<u>30,835</u>	<u>28,551</u>
At 31 December 2005				
Other investments:				
- quoted shares	1,104	1,228	1,041	1,224
- redeemable unsecured loan stocks	40	39	0	0
Advance to a subsidiary company	0	0	32,383	29,608
Advance from a subsidiary company	0	0	507,512	464,025
	<u>0</u>	<u>0</u>	<u>507,512</u>	<u>464,025</u>

The fair values of unquoted shares, which mainly relate to club memberships, were not materially different from the carrying values of RM1,195,000 (2005: RM1,388,000) for the Group and RM1,192,000 (2005: RM1,385,000) for the Company as at 31 December 2006.

The method by which fair value information was determined and any significant assumptions made in its application are as follows:

- quoted shares and marketable securities – quoted market prices at balance sheet date
- unquoted shares and redeemable unsecured loan stocks – estimated discounted value of future cash flows
- cash equivalents, receivables and payables with a maturity period of less than one year (all of which were subject to normal credit terms) – carrying value at balance sheet date

(d) Credit risk

The Group seeks to invest cash assets safely and profitably. The Group and the Company have a credit policy in place and the exposure to credit risk is monitored on an on-going basis. It seeks to control credit risk by settling counterparty limits and ensuring that credit evaluations are performed on all customers requiring credit to ensure that sales are only made to customers with appropriate credit history.

The Group and the Company have no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and for the Company is represented by the carrying amount of each financial asset.

5 FINANCIAL RISK MANAGEMENT (cont'd)

(e) Liquidity risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

6 IMPAIRMENT OF ASSETS

(a) Impairment loss during the financial year – leasehold and freehold land and buildings

The Group and the Company recognised an impairment loss of RM37,657,000 (2005: RM259,000) and RM32,583,000 (2005: Nil) during the financial year respectively in respect of certain leasehold and freehold land and buildings. The recoverable amount of these assets was the fair value less costs to sell, determined by reference to open market values of properties in the vicinity.

(b) Reversal of impairment loss during the financial year – regional printing plants

Financial period ended 31 December 2003

During the previous financial period ended 31 December 2003, the Company made an assessment of whether there was any indication of impairment of its property, plant and equipment in accordance with the requirements of FRS 136 - Impairment of Assets. Based on evidence from the Company's internal reporting, the Directors of the Company were of the opinion that the Company's regional printing plants ("RPPs") were impaired as the budgeted net cash flows or operating profits flowing from these assets were significantly lower than expected. The value in use of the RPPs was calculated using budgeted cash flows of these RPPs in order to determine their recoverable amount, and an impairment loss of RM192,447,000 was recognised in the financial period ended 31 December 2003.

Financial years ended 31 December 2006 and 31 December 2005

The Company reassessed the impairment loss of the RPPs annually, and amounts of RM85,792,000 and RM24,885,000 were written back in the income statement for the financial years ended 31 December 2006 and 31 December 2005 respectively, based on a revision of a number of key assumptions.

The key assumptions used in the value in use calculation as at 31 December 2006 are as follows:

- The value in use is calculated using the budgeted cash flows of the RPPs for five years from 2007 to 2011 (2005: 2006 to 2010). No growth in cash flows has been forecasted for the twelve years thereafter i.e. until the end of the useful life of the RPPs;
- The pre-tax discount rate used to calculate the value in use is 10.64% (2005: 9.37%); and
- Foreign currency exchange rate for USD was revised from USD1:RM3.78 as at 31 December 2005 to USD1:RM3.50 in 2007 and USD1:RM3.45 in the subsequent financial years.

7 REVENUE

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Sale of products	247,135	243,485	243,141	243,526
Rendering of services	272,453	287,658	264,662	273,218
Investment property income	475	541	0	0
	<u>520,063</u>	<u>531,684</u>	<u>507,803</u>	<u>516,744</u>

8 PROFIT BEFORE TAXATION

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Profit before taxation is arrived at after charging:				
Auditors' remuneration (Note 9)	565	562	323	303
Impairment loss of investment:				
- subsidiary companies	0	0	50	196
- associated companies	0	4,751	0	0
Loss on disposal of marketable securities	0	27	0	0
Allowance for diminution in value:				
- other investments	0	183	0	171
- marketable securities	0	197	0	0
Allowance for doubtful debts:				
- subsidiary companies	0	0	4,113	7,614
- trade and other receivables	0	0	882	1,218
Property, plant and equipment:				
- depreciation	40,559	43,665	40,074	43,140
- impairment loss	32,709	113	32,534	0
- write-off	0	124	0	0
Investment properties:				
- depreciation	586	642	220	220
- impairment loss	4,897	96	0	0
Prepaid lease payment:				
- amortisation	132	132	98	96
- impairment loss	51	50	49	0
Rent of land and buildings	5,671	5,128	5,343	4,937
Research and development costs	0	499	0	499
Staff costs	129,209	130,129	74,577	75,466
and after crediting:				
Dividend income (gross):				
- subsidiary companies	0	0	2,670	3,729
- shares quoted in Malaysia	9	7	7	0
Gain on liquidation of a subsidiary company	0	0	497,871	0
Gain on disposal of:				
- property, plant and equipment	1,878	735	1,878	132
- investment properties	0	12	0	0
- other investments	576	0	542	0
Write-back of impairment loss:				
- property, plant and equipment	85,792	24,885	85,792	24,885
- investment in associated companies	0	0	0	41,301
Write-back of allowance for doubtful debts:				
- associated companies	0	7,651	0	0
- trade and other receivables	193	31	0	0
Write-back of allowance for stock obsolescences	156	0	156	0
Bad debts recovered	0	47	0	47
Rental income	601	422	601	422

Direct operating expenses from investment properties that generated rental income of the Group and Company during the financial year amounted to RM434,000 (2005: RM686,000) and RM27,000 (2005: RM27,000) respectively.

Direct operating expenses from investment properties that did not generate rental income of the Group and Company during the financial year amounted to RM32,000 (2005: RM36,000) and RM1,000 (2005: RM1,000) respectively.

The charge for the financial year ended 31 December 2006 in respect of contributions to the Employees' Provident Fund by the Group and Company is RM15,257,000 (2005: RM15,427,000) and RM8,711,000 (2005: RM9,173,000) respectively.

The charge for the financial year ended 31 December 2006 in respect of termination benefits pursuant to a voluntary separation scheme by the Group and Company is RM28,348,000 (2005: Nil) and RM18,962,000 (2005: Nil) respectively.

9 AUDITORS' REMUNERATION

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Statutory audit	291	283	168	158
Fees for other services:				
- other audit related work	116	88	91	65
- tax advisory and compliance work	158	191	64	80
	<u>274</u>	<u>279</u>	<u>155</u>	<u>145</u>
Total remuneration	<u>565</u>	<u>562</u>	<u>323</u>	<u>303</u>

10 DIRECTORS' REMUNERATION

	Group and Company	
	2006 RM'000	2005 RM'000
Directors' fees	313	265
Other emoluments	1,213	1,134
	<u>1,526</u>	<u>1,399</u>

The estimated monetary value of benefits-in-kind received by Directors of the Company amounted to RM24,000 (2005: RM12,000) for the Group and Company.

11 FINANCE INCOME/COSTS

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Finance income				
Interest income	<u>0</u>	<u>(153)</u>	<u>(1,504)</u>	<u>(1,655)</u>
Finance costs				
Interest expense	10,493	9,227	10,594	9,227
Add/(less):				
Interest capitalised into property, plant and equipment (Note 14)	(270)	(256)	(270)	(256)
Amortisation and acceptance commission	549	3,309	548	3,309
	<u>10,772</u>	<u>12,280</u>	<u>10,872</u>	<u>12,280</u>

12 TAXATION

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Current tax:				
- Malaysian tax	132	(112)	0	(84)
Deferred tax (Note 26)				
- Company and subsidiary companies	13,219	17,015	12,878	16,769
	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

12 TAXATION (cont'd)

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Current tax				
Current financial year	45	544	0	63
Under/(over)-accrual in prior financial years (net)	87	(656)	0	(147)
	<u>132</u>	<u>(112)</u>	<u>0</u>	<u>(84)</u>
Deferred tax				
Origination and reversal of temporary differences	13,219	17,015	12,878	16,769
	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

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

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Profit before taxation	<u>37,912</u>	<u>29,307</u>	<u>539,738</u>	<u>65,250</u>
Tax calculated at the Malaysian tax rate of 28% (2005: 28%)	10,615	8,206	151,139	18,270
Tax effects of:				
- expenses not deductible for tax purposes	2,475	15,584	1,143	5,655
- expenses eligible for further deduction	(64)	(95)	0	0
- income not subject to tax	(2,419)	(12,283)	(139,404)	(11,564)
- current financial year's tax losses not recognised	1,401	1,413	0	0
- utilisation of tax losses brought forward previously not recognised	0	(69)	0	0
- different tax rate between SMEs and corporate tax rate	(98)	(54)	0	0
- reversal of previously recognised deductible temporary differences	968	0	0	0
- temporary differences not recognised in prior financial years	83	4,857	0	4,471
- temporary differences not recognised in current financial years	317	0	0	0
- a change in tax rate	(14)	0	0	0
Under/(over)-accrual of tax in prior financial years	87	(656)	0	(147)
Tax expense	<u>13,351</u>	<u>16,903</u>	<u>12,878</u>	<u>16,685</u>

13 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

		2006	2005
Profit for the financial year	(RM'000)	24,561	12,404
Weighted average number of ordinary shares in issue	('000)	217,228	217,228
Basic earnings per share	(Sen)	<u>11.31</u>	<u>5.71</u>

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue remains unchanged as there were no dilutive potential ordinary shares since the market prices of the ordinary share were lower than the exercise prices of the share option at RM4.05 or RM3.55 or RM3.51 per share.

		2006	2005
Profit for the financial year	(RM'000)	24,561	12,404
Weighted average number of ordinary shares in issue	('000)	217,228	217,228
Diluted earnings per share	(Sen)	<u>11.31</u>	<u>5.71</u>

14 PROPERTY, PLANT AND EQUIPMENT

	Net book value at 1.1.2006 RM'000	Reclassification to non-current assets held for sale RM'000	Additions RM'000	Disposals RM'000	(Allowance for)/write-back of impairment losses RM'000	Depreciation charge RM'000	Net book value at 31.12.2006 RM'000
Group							
2006							
Freehold land	82,940	(4,901)	0	(10,126)	0	0	67,913
Buildings	189,400	(2,169)	770	0	(32,534)	(4,986)	150,481
Plant and machinery	387,156	0	2,255	0	85,617	(24,408)	450,620
Motor vehicles	662	0	835	0	0	(49)	1,448
Furniture, computers and equipment	14,977	0	4,879	(10)	0	(11,116)	8,730
Assets under construction	3,600	0	12,770	0	0	0	16,370
	<u>678,735</u>	<u>(7,070)</u>	<u>21,509</u>	<u>(10,136)</u>	<u>53,083</u>	<u>(40,559)</u>	<u>695,562</u>

	Net book value at 1.1.2005 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	(Allowance for)/write-back of impairment losses RM'000	Depreciation charge RM'000	Net book value at 31.12.2005 RM'000
Group							
2005							
Freehold land	83,046	0	(106)	0	0	0	82,940
Buildings	195,825	0	(65)	0	(113)	(6,247)	189,400
Plant and machinery	390,697	8,057	(29)	0	24,885	(36,454)	387,156
Motor vehicles	395	498	0	0	0	(231)	662
Furniture, computers and equipment	14,802	1,090	(58)	(124)	0	(733)	14,977
Assets under construction	2,742	858	0	0	0	0	3,600
	<u>687,507</u>	<u>10,503</u>	<u>(258)</u>	<u>(124)</u>	<u>24,772</u>	<u>(43,665)</u>	<u>678,735</u>

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	31.12.2006			31.12.2005		
	Cost	Accumulated depreciation and impairment losses	Net book value	Cost	Accumulated depreciation and impairment losses	Net book value
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	67,913	0	67,913	82,940	0	82,940
Buildings	247,739	(97,258)	150,481	249,138	(59,738)	189,400
Plant and machinery	634,156	(183,536)	450,620	631,901	(244,745)	387,156
Motor vehicles	4,072	(2,624)	1,448	3,237	(2,575)	662
Furniture, computers and equipment	89,031	(80,301)	8,730	84,162	(69,185)	14,977
Assets under construction	16,370	0	16,370	3,600	0	3,600
	<u>1,059,281</u>	<u>(363,719)</u>	<u>695,562</u>	<u>1,054,978</u>	<u>(376,243)</u>	<u>678,735</u>

Company	Net book value at 1.1.2006 RM'000	Reclassification to non-current assets held for sale RM'000	Additions RM'000	Disposals RM'000	(Allowance for)/write-back of impairment losses RM'000	Depreciation charge RM'000	Net book value at 31.12.2006 RM'000
Freehold land	82,940	(4,901)	0	(10,126)	0	0	67,913
Buildings	189,400	(2,169)	770	0	(32,534)	(4,986)	150,481
Plant and machinery	360,910	0	1,906	0	85,792	(24,159)	424,449
Motor vehicles	662	0	669	0	0	(27)	1,304
Furniture, computers and equipment	15,675	0	4,828	(10)	0	(10,902)	9,591
Assets under construction	28,453	0	12,770	0	0	0	41,223
	<u>678,040</u>	<u>(7,070)</u>	<u>20,943</u>	<u>(10,136)</u>	<u>53,258</u>	<u>(40,074)</u>	<u>694,961</u>

Company	Net book value at 1.1.2005 RM'000	Additions RM'000	Disposals RM'000	Write-back of impairment losses RM'000	Depreciation charge RM'000	Net book value at 31.12.2005 RM'000
Freehold land	83,046	0	(106)	0	0	82,940
Buildings	195,569	0	(67)	0	(6,102)	189,400
Plant and machinery	374,793	7,588	(29)	24,885	(36,227)	371,010
Motor vehicles	396	498	0	0	(231)	663
Furniture, computers and equipment	5,399	813	(59)	0	(580)	5,573
Assets under construction	27,596	858	0	0	0	28,454
	<u>686,799</u>	<u>9,757</u>	<u>(261)</u>	<u>24,885</u>	<u>(43,140)</u>	<u>678,040</u>

14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	31.12.2006			31.12.2005		
	Accumulated depreciation and impairment losses		Net book value	Accumulated depreciation and impairment losses		Net book value
	Cost	RM'000		Cost	RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
Freehold land	67,913	0	67,913	82,940	0	82,940
Buildings	247,739	(97,258)	150,481	251,131	(61,731)	189,400
Plant and machinery	608,165	(183,716)	424,449	613,032	(252,122)	360,910
Motor vehicles	3,906	(2,602)	1,304	3,314	(2,652)	662
Furniture, computers and equipment	86,937	(77,346)	9,591	87,237	(71,562)	15,675
Assets under construction	41,223	0	41,223	28,453	0	28,453
	<u>1,055,883</u>	<u>(360,922)</u>	<u>694,961</u>	<u>1,066,107</u>	<u>(388,067)</u>	<u>678,040</u>

Borrowing costs directly related to the assets under construction of RM270,000 (2005: RM256,000) for the Group and Company have been capitalised and included in the cost of the property, plant and equipment during the financial year.

15 INVESTMENT PROPERTIES

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Net book value				
At beginning of the financial year	37,980	38,759	8,015	8,235
Disposals	(145)	(41)	0	0
Depreciation charge (Note 8)	(586)	(642)	(220)	(220)
Impairment loss (Note 8)	(4,897)	(96)	0	0
Transfer from non-current assets held for sale	192	0	0	0
At end of the financial year	<u>32,544</u>	<u>37,980</u>	<u>7,795</u>	<u>8,015</u>
Cost	43,342	43,449	8,791	8,791
Accumulated depreciation and impairment losses	(10,798)	(5,469)	(996)	(776)
Net book value	<u>32,544</u>	<u>37,980</u>	<u>7,795</u>	<u>8,015</u>

The fair values of the investment properties for the Group and Company were estimated at RM49,285,000 and RM20,782,000 respectively based on valuations by an independent professionally qualified valuer. The valuations were based on current prices in an active market for all properties.

16 SUBSIDIARY COMPANIES

	2006 RM'000	Company 2005 RM'000
Unquoted shares:		
Cost	13,608	27,158
Less: Accumulated impairment losses	(8,501)	(8,501)
	<u>5,107</u>	<u>18,657</u>

On 28 September 2006, a special resolution was passed at an EGM for Pitisan Sdn Bhd ("Pitisan"), a wholly-owned subsidiary company of the Company, which was wound up via a Member's Voluntary Liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. The appointed joint and several liquidators are Chin Kim Chung and Loh Kok Leong of Russell Bedford LC & Company, Chartered Accountants, 10th Floor, Bangunan Yee Seng, 15, Jalan Raja Chulan, 50200 Kuala Lumpur.

Pitisan's investments in Basshill Holdings Limited ("Basshill") and Worldbase Investment Limited ("Worldbase"), its wholly-owned subsidiary companies, which were fully provided for, were transferred to the Company at a net book value of RM1.

Following the liquidation, a Deed of Assignment and Distribution Agreement dated 20 November 2006 was signed between Pitisan and the Company whereby both parties agreed that the debt due from the Company to Pitisan would be assigned to the Company, and construed as a capital return of surplus funds by way of distribution in specie to the Company. On 14 December 2006, the first interim return of surplus assets of Pitisan amounting to RM507,871,000 was declared and distributed to the Company.

In the previous financial year, the Company disposed 1 ordinary share of USD1.00 each, representing the entire issued and paid-up share capital of Basshill Holdings Limited ("Basshill") to Pitisan Sdn Bhd ("Pitisan"), both of which are wholly-owned subsidiary companies, at a net book value of RM2,000. On the same date, the Company also disposed 1 ordinary share of USD1.00 each, representing the entire issued and paid-up share capital of Worldbase Investments Limited ("Worldbase"), a wholly-owned subsidiary company, to Pitisan at a net book value of RM2,000.

The Group's equity interests in the subsidiary companies, their respective principal activities and countries of incorporation are shown in Note 35 to the financial statements.

17 ASSOCIATED COMPANIES

Company	2006 RM'000	2005 RM'000
Unquoted shares, at cost	238,344	238,344
Less: Accumulated impairment losses	(14,156)	(14,156)
	<u>224,188</u>	<u>224,188</u>
Group		
Share of net assets	202,931	196,914
Less: Accumulated impairment losses	(4,751)	(4,751)
Less: Goodwill on acquisition written-off	(7,551)	(7,551)
	<u>190,629</u>	<u>184,612</u>

The Group's equity interests in the associated companies, their respective principal activities and countries of incorporation are shown in Note 35 to the financial statements.

18 OTHER INVESTMENTS

	2006	Group	2006	Company
	RM'000	2005	RM'000	2005
		RM'000		RM'000
Non-current				
Quoted shares in Malaysia, at cost	2	1,733	2	1,633
Less: Allowance for diminution in value	(1)	(629)	(1)	(592)
	<u>1</u>	<u>1,104</u>	<u>1</u>	<u>1,041</u>
Unquoted shares	1,448	17,654	1,272	1,465
Less: Allowance for diminution in value	(253)	(16,266)	(80)	(80)
	<u>1,195</u>	<u>1,388</u>	<u>1,192</u>	<u>1,385</u>
Unquoted redeemable unsecured loan stocks, at cost	28	40	0	0
Total investments	<u>1,224</u>	<u>2,532</u>	<u>1,193</u>	<u>2,426</u>
Quoted shares in Malaysia, at market value	<u>1</u>	<u>1,288</u>	<u>1</u>	<u>1,224</u>

19 NON-CURRENT ASSETS HELD FOR SALE

	2006	Group	2006	Company
	RM'000	2005	RM'000	2005
		RM'000		RM'000
Property, plant and equipment:				
- freehold land	4,901	0	4,901	0
- freehold buildings	0	192	0	0
- leasehold buildings	2,169	0	2,169	0
Prepaid lease payment	368	0	368	0
Investment in a subsidiary company:				
- cost	0	0	3,550	0
- accumulated impairment losses	0	0	(50)	0
	<u>7,438</u>	<u>192</u>	<u>10,938</u>	<u>0</u>

During the financial year, the Company entered into sale and purchase agreements for the proposed disposals of freehold and leasehold land and buildings, and a subsidiary company (Note 36). These proposed disposals satisfy the criteria set out in FRS 5 - Non-Current Assets Held For Sale and Presentation of Discontinued Operations, and hence have been classified as "assets held for sale".

20 INVENTORIES

	2006	Group	2006	Company
	RM'000	2005	RM'000	2005
		RM'000		RM'000
At cost:				
Raw materials	154,787	146,848	154,787	146,848
Publication stocks	329	297	329	297
	<u>155,116</u>	<u>147,145</u>	<u>155,116</u>	<u>147,145</u>
At net realisable value:				
Equipment inventory for resale	0	6	0	0
	<u>155,116</u>	<u>147,151</u>	<u>155,116</u>	<u>147,145</u>

21 RECEIVABLES

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Trade receivables	160,955	166,748	148,685	152,390
Less: Allowance for doubtful debts	(65,548)	(66,584)	(55,386)	(54,321)
	<u>95,407</u>	<u>100,164</u>	<u>93,299</u>	<u>98,069</u>
Other receivables, deposits and prepayments	5,459	13,077	3,669	4,854
Less: Allowance for doubtful debts	(904)	(61)	0	(183)
	<u>4,555</u>	<u>13,016</u>	<u>3,669</u>	<u>4,671</u>
	<u><u>99,962</u></u>	<u><u>113,180</u></u>	<u><u>96,968</u></u>	<u><u>102,740</u></u>

Credit terms of trade receivables range from payment in advance to 60 days.

22 MARKETABLE SECURITIES

	2006 RM'000	Group 2005 RM'000
Quoted shares in Malaysia:		
At cost	0	4,012
Less: Allowance for diminution in value	0	(3,422)
At market value	<u>0</u>	<u>590</u>

23 DEPOSITS, BANK AND CASH BALANCES

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Deposits with licensed banks	1,000	1,000	1,000	1,000
Cash and bank balances	26,887	12,717	25,975	9,666
	<u>27,887</u>	<u>13,717</u>	<u>26,975</u>	<u>10,666</u>

Included in bank balances and deposits are amounts held in respect of public donations of RM1,000,000 (2005: RM1,000,000) for the Group and Company, which are excluded from cash and cash equivalents in the cash flow statements of the Group and the Company.

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

	2006 %	Group 2005 %	2006 %	Company 2005 %
Deposits with licensed banks	<u>3.15</u>	<u>3.0</u>	<u>3.15</u>	<u>3.0</u>

Deposits of the Group and Company have an average maturity period of 30 days (2005: 30 days). Bank balances are deposits held at call with banks.

24 PAYABLES

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Trade payables	23,414	30,102	23,225	29,421
Other payables and accruals	44,533	34,215	34,056	20,334
	<u>67,947</u>	<u>64,317</u>	<u>57,281</u>	<u>49,755</u>

Credit terms of trade payables granted to the Group and Company vary from no credit to 90 days.

25 BANK BORROWINGS

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Unsecured:				
- Revolving credits	220,000	224,000	220,000	224,000
- Bankers' acceptances	0	4,226	0	4,226
	<u>220,000</u>	<u>228,226</u>	<u>220,000</u>	<u>228,226</u>

The bank borrowings carry the following range of interest rates per annum:

	2006	Group 2005	2006	Company 2005
Revolving credits	3.60% - 4.85%	3.60% - 4.20%	3.60% - 4.85%	3.60% - 4.20%
Bankers' acceptances	0	3.20% - 3.60%	0	3.20% - 3.60%

26 DEFERRED TAX ASSETS/(LIABILITIES)

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:

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Subject to income tax:				
Deferred tax assets	4,927	18,960	3,719	16,597
Deferred tax liabilities	(100)	(914)	0	0
	<u>4,827</u>	<u>18,046</u>	<u>3,719</u>	<u>16,597</u>

26 DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
At beginning of the financial year	18,046	35,061	16,597	33,366
Credited/(charged) to income statement (Note 12)				
- property, plant and equipment	(13,709)	(17,608)	(13,402)	(16,917)
- receivables	(111)	47	(111)	47
- payables	659	1,399	693	721
- investments	0	(21)	0	0
- tax losses	0	(795)	0	(583)
- inventories	(58)	(37)	(58)	(37)
	(13,219)	(17,015)	(12,878)	(16,769)
At end of the financial year	<u>4,827</u>	<u>18,046</u>	<u>3,719</u>	<u>16,597</u>

Deferred tax assets

Property, plant and equipment	0	2,920	0	1,782
Receivables	2,185	2,296	2,185	2,296
Payables	2,328	1,669	1,684	991
Investments	0	0	0	0
Tax losses	12,020	12,020	11,462	11,462
Inventories	8	66	8	66
Before offsetting	16,541	18,971	15,339	16,597
Offsetting	(11,614)	(11)	(11,620)	0
After offsetting	<u>4,927</u>	<u>18,960</u>	<u>3,719</u>	<u>16,597</u>

Deferred tax liabilities

Property, plant and equipment				
- before offsetting	(11,714)	(925)	(11,620)	0
Offsetting	11,614	11	11,620	0
After offsetting	<u>(100)</u>	<u>(914)</u>	<u>0</u>	<u>0</u>

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

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Deductible temporary differences	13,391	7,392	0	0
Tax losses	80,729	67,656	0	0
	<u>94,120</u>	<u>75,048</u>	<u>0</u>	<u>0</u>

The deductible temporary differences and unused tax losses are available indefinitely for offset against future taxable profits of the respective subsidiary companies 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 subsidiary companies in the Group have a history of losses, and are dormant.

27 SHARE CAPITAL

	Group and Company	
	2006	2005
	RM'000	RM'000
Authorised		
Ordinary shares of RM1.00 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid		
Ordinary shares of RM1.00 each:		
At beginning of the financial year	217,228	217,218
Issued during the financial year		
- exercise of share options	<u>0</u>	<u>10</u>
At end of the financial year	<u>217,228</u>	<u>217,228</u>
Share premium arising from the exercise of share options	<u>0</u>	<u>31</u>

Movements in the number of share options outstanding are as follows:

	Number of options over ordinary shares of RM1.00 each		
	Option price per share at RM4.05	Option price per share at RM3.55	Option price per share at RM3.51
At 1 January 2006	17,569,600	601,300	450,000
Lapsed	(797,000)	(105,000)	0
At 31 December 2006	<u>16,772,600</u>	<u>496,300</u>	<u>450,000</u>

These share options will expire on 27 January 2009. All the ordinary shares relating to the ESOS rank pari passu in all respects with the existing ordinary shares of the Company.

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

28 RETAINED EARNINGS

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank all of its retained earnings at 31 December 2006 if paid out as dividends.

29 CHANGES IN ACCOUNTING POLICIES

The list of new accounting standards, amendments to published standards and interpretations of existing standards that are effective for the Group's and Company's financial years beginning on or after 1 January 2006 is set out in Note 2(a) to the financial statements.

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

(a) Irrelevant or immaterial effect on financial statements

The adoption of FRS 1, 101, 102, 108, 110, 116, 127, 128, 131, 132, 133, 140, the 'asset ceiling' amendment of FRS 119₂₀₀₄ and ICs did not have a material impact on the financial statements of the Group and Company. In summary:

- FRS 1 and the amendment to FRS 119₂₀₀₄ are not relevant to the Group and Company's operations.
- FRS 102, 108, 110, 116, 127, 128, 131, 132, 133, 140 and ICs had no material effect on the Group's and Company's policies.

29 CHANGES IN ACCOUNTING POLICIES (cont'd)**(b) FRS 2 - Share-based Payment**

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

There were no new share options granted during the financial year and the share options previously granted (as disclosed in Note 27 to the financial statements) had vested at the effective date of this FRS.

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

(c) FRS 117 - Leases

The Group and Company have early adopted FRS 117 requires the classification of leasehold land as prepaid lease payments.

(d) FRS 3 - Business Combinations, FRS 136 - Impairment of Assets and FRS 138 - Intangible Assets**(i) Goodwill**

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

In accordance with the provisions of FRS 3:

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

Until 31 December 2005, goodwill arising from prior years' acquisitions had been written off against the Group's retained earnings.

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

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

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

(f) Reclassification of prior year comparatives

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

- Under FRS 101, the Group's share of results of associated companies is now shown net of tax.
- FRS 140 has resulted in the reclassification of certain land and buildings from property, plant and equipment to investment properties.

The effect of the above standards on the Group and Company's financial statements for the current and prior financial years is set out in Note 29(g).

29 CHANGES IN ACCOUNTING POLICIES (cont'd)

(g) Restatement of balance sheets at 31 December 2006

The following tables disclose the adjustments that have been made in accordance with the transitional and new provisions of the respective FRSs to each of the line items in the Group and Company's balance sheets as at 31 December 2006.

	As previously reported RM'000	<-----Reclassification Note 29(c)/(f) -----> Reclassification RM'000	FRS 140 RM'000	FRS 117 RM'000	As restated RM'000
Group					
At 31 December 2005					
Property, plant and equipment	723,296	(44,561)	0	0	678,735
Investment properties	0	0	37,980	0	37,980
Prepaid lease payments					
- current	0	0	0	1,230	1,230
- non-current	0	0	0	5,351	5,351
	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,351</u>	<u>5,351</u>
Company					
At 31 December 2005					
Property, plant and equipment	690,173	(12,133)	0	0	678,040
Investment properties	0	0	8,015	0	8,015
Prepaid lease payments					
- current	0	0	0	1,195	1,195
- non-current	0	0	0	2,923	2,923
	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,923</u>	<u>2,923</u>

30 CASH AND CASH EQUIVALENTS

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Bank balances and deposits (Note 23)	27,887	13,717	26,975	10,666
Less: Bank balances and deposits held in respect of public donations (Note 23)	(1,000)	(1,000)	(1,000)	(1,000)
	<u>26,887</u>	<u>12,717</u>	<u>25,975</u>	<u>9,666</u>

31 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS

(a) Significant related party balances

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Non-current assets				
Amount due from a subsidiary company	0	0	30,835	32,383
	<u>0</u>	<u>0</u>	<u>30,835</u>	<u>32,383</u>

31 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

(a) Significant related party balances (cont'd)

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Current assets				
Amounts due from subsidiary companies	0	0	60,256	56,581
Less: Allowance for doubtful debts	0	0	(59,204)	(55,385)
	<u>0</u>	<u>0</u>	<u>1,052</u>	<u>1,196</u>
Advances to subsidiary companies	0	0	10,881	11,031
Less: Allowance for doubtful debts	0	0	(10,881)	(10,496)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>535</u>
Amounts due from associated companies	19,160	20,693	0	0
Less: Allowance for doubtful debts	(19,160)	(20,693)	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>1,052</u>	<u>1,731</u>

The amounts due from subsidiary companies and related parties are unsecured, interest free and have no fixed terms of repayments, except that no repayments are due within 12 months of the balance sheet date for the non-current amount.

The advances to subsidiary companies are unsecured and have no fixed terms of repayment. No interest was charged on advances to subsidiary companies during the current financial year.

The amounts due from associated companies are unsecured, interest free and have no fixed terms of repayments.

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Non-current liabilities				
Amount due to a subsidiary company	0	0	0	507,512
	<u>0</u>	<u>0</u>	<u>0</u>	<u>507,512</u>
Current liabilities				
Amounts due to subsidiary companies	0	0	10,659	7,242
Advances from subsidiary companies	0	0	1,900	2,257
	<u>0</u>	<u>0</u>	<u>12,559</u>	<u>9,499</u>
	<u>0</u>	<u>0</u>	<u>12,559</u>	<u>9,499</u>

The amounts due to and advances from subsidiary companies are unsecured, interest free and have no fixed terms of repayments, except that no repayments are due within 12 months of the balance sheet date for the non-current amount.

31 SIGNIFICANT RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)**(b) Significant related party transactions**

The Group transacted with Media Prima Berhad ("MPB") and its subsidiary companies ("MPB Group") which are deemed to be related parties by virtue of MPB being a substantial shareholder of the Company.

The related party transactions described below were carried out on terms and prices negotiated between the parties.

	2006 RM'000	Group 2005 RM'000
Sales to MPB Group	45	686
Purchases from MPB Group	<u>0</u>	<u>65</u>

32 CONTINGENT LIABILITIES

There are several libel suits which involve claims against the Group and Company of which the outcome and compensation, if any, are undeterminable. No provision has been made in the financial statements as at 31 December 2006 as the Directors are of the opinion that the claims are unmerited. The Directors do not expect the outcome of these claims to have a material impact on the financial position of the Group and Company.

33 CAPITAL COMMITMENTS

	2006 RM'000	Group 2005 RM'000	2006 RM'000	Company 2005 RM'000
Property, plant and equipment:				
- authorised by the Directors and contracted	389	15,402	389	15,402
- authorised by the Directors but not contracted	<u>41,163</u>	<u>41,253</u>	<u>38,941</u>	<u>36,202</u>
	<u>41,552</u>	<u>56,655</u>	<u>39,330</u>	<u>51,604</u>

The Group's share of associated companies' commitments for property, plant and equipment amounted to RM1,868,000 (2005: RM4,290,000).

34 SEGMENT REPORTING

During the current and previous financial years, the Group has only one main business segment:

- Newspaper publishing - publishing and sale of newspapers

Other operations of the Group comprise mainly distribution of newspapers and magazines, internet based on-line services, investment holding and provision of property management services, none of which are of a sufficient size to be reported separately.

34 SEGMENT REPORTING (cont'd)

	Newspaper publishing RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Financial year ended 31 December 2006				
Revenue				
External revenue	519,472	591	0	520,063
Intersegment revenue	77,997	2,533	(80,530)	0
Total revenue	<u>597,469</u>	<u>3,124</u>	<u>(80,530)</u>	<u>520,063</u>
Results				
Segment results	44,122	(1,455)	0	42,667
Finance costs - net				(10,772)
Share of results of associated companies	6,017			6,017
Taxation				(13,351)
Profit for the financial year				<u>24,561</u>
		Newspaper publishing RM'000	Others RM'000	Group RM'000
At 31 December 2006				
Net assets				
Segment assets		1,220,437	2,539	1,222,976
Total assets				<u>1,222,976</u>
Segment liabilities		212,155	78,260	290,415
Total liabilities				<u>290,415</u>
Financial year ended 31 December 2006				
Capital expenditure		20,943	566	21,509
Depreciation and amortisation		40,561	716	41,277

34 SEGMENT REPORTING (cont'd)

	Newspaper publishing RM'000	Others RM'000	Eliminations RM'000	Group RM'000
Financial year ended 31 December 2005				
Revenue				
External revenue	528,864	2,820	0	531,684
Intersegment revenue	68,553	2,539	(71,092)	0
Total revenue	<u>597,417</u>	<u>5,359</u>	<u>(71,092)</u>	<u>531,684</u>
Results				
Segment results	<u>35,279</u>	<u>(326)</u>	<u>0</u>	34,953
Finance costs - net				(12,127)
Share of results of associated companies	6,481			6,481
Taxation				(16,903)
Profit for the financial year				<u>12,404</u>
At 31 December 2005				
Net assets				
Segment assets		1,204,958	6,307	1,211,265
Associated companies		(6,215)	5,477	(738)
Total assets				<u>1,210,527</u>
Segment liabilities		795,259	(500,118)	295,141
Total liabilities				<u>295,141</u>
Financial year ended 31 December 2005				
Capital expenditure		10,222	281	10,503
Depreciation and amortisation		43,362	1,077	44,439

(a) Primary reporting format – business segment

Segment assets consist primarily of property, plant and equipment, inventories, deferred tax assets, operating receivables and cash. Segment liabilities comprise operating liabilities.

Capital expenditure comprises additions to property, plant and equipment (Note 14).

(b) Secondary reporting format – geographical segments

The financial information analysed by geographical segment is not presented as the activities of the Group are carried out primarily in Malaysia.

35 SUBSIDIARY AND ASSOCIATED COMPANIES

The Group's equity interests in subsidiary and associated companies, their respective principal activities and countries of incorporation are as follows:

Subsidiary companies

Name of company	Principal activities	Country of incorporation	Group's interest	
			2006 %	2005 %
Asia Pacific Enterprise Computing Sdn Bhd	Dormant	Malaysia	100.0	100.0
Asia Pacific Risk Management Centre Sdn Bhd	Dormant	Malaysia	100.0	100.0
Basshill Holdings Limited	Investment holding	British Virgin Islands	100.0	100.0
Berita Book Centre Sdn Bhd	Dormant	Malaysia	100.0	100.0
Berita Harian Sdn Berhad	Provision of Bahasa Malaysia editorial services	Malaysia	100.0	100.0
Berita Information Systems Sdn Bhd	Dormant	Malaysia	100.0	100.0
Beriteks Sdn Berhad	Dormant	Malaysia	100.0	100.0
Bisofware Sdn Bhd	Dormant	Malaysia	100.0	100.0
Q-Distribution Sdn Bhd	Dormant	Malaysia	100.0	100.0
BT Information Sdn Bhd	Dormant	Malaysia	100.0	100.0
Business Times (Malaysia) Sdn Bhd	Dormant	Malaysia	100.0	100.0
IT Publications Sdn Bhd	Dormant	Malaysia	100.0	100.0
Marican Sdn Berhad	Dormant	Malaysia	100.0	92.5
New Straits Times Sdn Berhad	Provision of English editorial services	Malaysia	100.0	100.0
New Straits Times Technology Sdn Bhd	Investment holding	Malaysia	100.0	100.0
NSTP e-Media Sdn Bhd	Internet based on-line services	Malaysia	100.0	100.0
The Right Channel Sdn Bhd	Manage, sell and maintain outdoor advertisement from billboards to transit advertising	Malaysia	100.0	100.0
MMC-Ad Sdn. Bhd.	Media advertising	Malaysia	100.0	100.0
Media Master Industries (M) Sdn Bhd	Dormant	Malaysia	100.0	100.0
Malay Mail Sdn. Bhd. (formerly known as Open Solutions Sdn Bhd)	Publishing and sale of English newspapers	Malaysia	100.0	100.0
Pitisan Sdn Berhad	Investment holding (liquidated during the financial year)	Malaysia	0	100.0
Rampaian Media Sdn Bhd	Dormant	Malaysia	100.0	100.0
Shin Min Publishing (Malaysia) Sdn Bhd	Dormant	Malaysia	89.6	89.6
The New Straits Times Properties Sdn Bhd	Property management services	Malaysia	100.0	100.0
Times of Malaysia Limited *	Dormant (dissolved in January 2006)	United Kingdom	0	100.0
Worldbase Investments Limited	Investment holding	British Virgin Islands	100.0	100.0

35 SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)**Associated companies**

Name of company	Country of Principal activities	incorporation	Group's interest	
			2006 %	2005 %
Akademi Penulisan dan Penerbitan Pena Sdn Bhd	Dormant	Malaysia	25.0	25.0
Asia Magazines Limited	Dormant	Hong Kong	26.9	26.9
Business Day Co. Ltd.	Publishing of daily English financial newspapers	Thailand	47.5	47.5
Malaysian Newsprint Industries Sdn Bhd	Manufacture and sale of newsprint and related paper products	Malaysia	21.4	21.4
Thai Metro Media Group Co. Ltd.	Investment holding	Thailand	49.0	49.0
Laras Perkasa Sdn Bhd	Dormant	Malaysia	30.0	30.0
Smart News Network International Sdn Bhd	Dormant	Malaysia	25.0	25.0

36 SIGNIFICANT POST BALANCE SHEET EVENT

On 30 November 2006, the Company entered into a share sale agreement with its substantial shareholder, Media Prima Berhad ("MPB"), to dispose its entire equity interest in The Right Channel ("TRC"), a wholly-owned subsidiary company, for a cash consideration of RM1. In addition, MPB undertook to procure RM3,500,000 of the advances due from TRC to the Company with RM1,500,000 being paid on the completion date, and the balances of RM2,000,000 being paid within or on the anniversary of one year from the completion date. The disposal of TRC to MPB was completed on 28 February 2007.

Following the disposal of TRC, the investment in TRC has been reclassified from investment in subsidiary companies to non-current assets held-for-sale measured at carrying value in accordance with the requirements of FRS 5 (Note 19). In addition, MMC-Ad Sdn Bhd and Media Master Industries Sdn Bhd, which are wholly-owned subsidiary companies of TRC, ceased to be subsidiary companies of the Company with effect from 28 February 2007.

37 DIVIDENDS

	Group and Company			
	2006	2006	2005	2005
	Gross dividend per share RM	Amount of dividend, net of tax RM'000	Gross dividend per share RM	Amount of dividend, net of tax RM'000
Final dividend paid in respect of the financial years ended 31 December 2005/2004	0.05	7,821	0.05	7,821

At the forthcoming Annual General Meeting, a special dividend and a final gross dividend in respect of the financial year ended 31 December 2006 of 10 sen per share (2005: 5 sen per share), less income tax of 27% (2005: 28%), amounting to RM15,858,000 (2005: RM7,821,000) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability in the financial year ending 31 December 2007 when approved by shareholders.

38 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 16 April 2007.

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-Up Share Capital	:	RM217,227,804
Class of Shares	:	Ordinary Shares of RM1.00 each
Number of Shareholders	:	5,795 Shareholders
Voting Rights	:	1 vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 MARCH 2007

Size of Shareholdings	No of Holders	%	No of Shares	%
< 100	131	2.26	3,242	0.00
100-1,000	1,878	32.41	1,701,626	0.78
1,001-10,000	3,013	51.99	12,298,457	5.66
10,001 - 100,000	689	11.89	18,743,361	8.64
100,001 < 5% of issued shares	81	1.40	64,433,278	29.66
5% and above of issued shares	3	0.05	120,047,840	55.26
Total	5,795	100.00	217,227,804	100.00

DIRECTORS' SHAREHOLDINGS AS AT 30 MARCH 2007

None of the Directors of The New Straits Times Press (Malaysia) Berhad hold any direct or indirect shares in the Company with exception of Y Bhg Dato' Hishamuddin bin Aun who holds 5,000 direct Ordinary Shares.

SUBSTANTIAL SHAREHOLDERS AS AT 30 MARCH 2007

Substantial Shareholders	Direct interest	%	Indirect interest	%
Media Prima Berhad	94,035,540 *	-	-	43.29
Gabungan Kesturi Sdn Bhd	-	-	94,035,540 **	43.29
Amanah Raya Berhad	-	-	94,035,540 ***	43.29
Employees Provident Fund Board	36,840,100#	16.96	-	-

* Held through nominee companies.

** Deemed interested by virtue of its 13.20% equity interest in Media Prima Berhad.

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

Held by itself and partly through nominee companies managed by portfolio managers.

No.	Name	Shares	%
1.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB for Media Prima Berhad(CASS))	71,548,767	32.94
2.	Employees Provident Fund Board	26,012,300	11.97
3.	AMMB Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for AmTrustee Berhad Media Prima Berhad – Exchangeable Bonds)	22,486,773	10.35
4.	Cartaban Nominees (Tempatan) Sdn Bhd (Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404))	7,188,400	3.31
5.	Kumpulan Wang Amanah Pencen	6,389,000	2.94
6.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C))	5,984,700	2.76
7.	Permodalan Nasional Berhad	4,156,300	1.91
8.	Citigroup Nominees (Asing) Sdn Bhd (Exempt Authorised Nominee for American International Assurance Company Limited)	3,393,900	1.56
9.	AM Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (A/C1))	3,286,200	1.51
10.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (H))	3,265,200	1.50
11.	Khazanah Nasional Berhad	2,427,000	1.12
12.	Citigroup Nominees (Asing) Sdn Bhd (CBNY for DFA Emerging Markets Fund)	1,655,100	0.76
13.	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	1,492,500	0.69
14.	Citigroup Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for Prudential Assurance Malaysia Berhad)	1,267,800	0.58
15.	Lembaga Tabung Angkatan Tentera	1,254,800	0.58

No.	Name	Shares	%
16.	Universiti Malaya	1,187,500	0.55
17.	Malaysia Nominees (Tempatan) Sendirian Berhad (Amanah SSCM Asset Management Berhad for Amanah Millenia Fund Berhad (JM730))	1,160,500	0.53
18.	Malaysia Nominees (Tempatan) Sendirian Berhad (Great Eastern Life Assurance (Malaysia) Berhad (NON PAR 1))	1,142,500	0.53
19.	Amanah Raya Nominees (Tempatan) Sdn Bhd (Skim Amanah Saham Bumiputra)	1,088,200	0.50
20.	Cartaban Nominees (Tempatan) Sdn Bhd (Exempt Authorised Nominee for Amanah SSCM Nominees (Tempatan) Sdn Bhd (Account 1))	913,200	0.42
21.	Citigroup Nominees (Asing) Sdn Bhd (CBNY for DFA Emerging Markets Small Cap Series)	749,600	0.35
22.	Cartaban Nominees (Tempatan) Sdn Bhd (Petronas for Petronas Retirement Benefit Scheme)	733,300	0.34
23.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt Authorised Nominee for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT))	600,200	0.28
24.	DB (Malaysia) Nominee (Asing) Sdn Bhd (BNP Paribas Nominees Singapore Pte Ltd for Ngan Tang Joo)	600,000	0.28
25.	Mayban Nominees (Tempatan) Sdn Bhd (Mayban Trustee Berhad for MAAKL Eagle Fund (250283))	560,000	0.26
26.	Cartaban Nominees (Asing) Sdn Bhd (Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (B))	542,200	0.25
27.	CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB-Principal Asset Management Berhad for Pensions Trust Fund Council)	469,000	0.22
28.	Summit Holdings Sdn Bhd	420,000	0.19
29.	A.A. Anthony Nominees (Asing) Sdn Bhd (Pledged Securities Account for Citibase Limited)	413,200	0.19
30.	HSBC Nominees (Asing) Sdn Bhd (BNY Brussels for City of New York Group Trust)	409,500	0.19

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13600 Seberang Prai, Pulau Pinang.
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81400 Senai, Johor Darul Takzim.
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Wilayah Persekutuan

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Kemayan Square
Off Jalan Sungai Ujung,
Seremban
Tel: 06-7623781 Fax: 06-7642826

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Telok Kemang, 71050 Sri Rusa, Port Dickson,
Negeri Sembilan Darul Khusus.
Tel: 06-6626006 Fax: 06-6626080

List Of Top Ten Properties Held By The Group as at 31 December 2006

No.	Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value (RM'000)	Year of acquisition
1	No.16, Jln U8/88, Bukit Jelutong Ind.Park, 40000 Shah Alam, Selangor	Freehold	141,691 sq. metres	Regional printing plant	6	109,554	1995
2	9, Jalan Liku, Kuala Lumpur	Freehold	6,900 sq. metres	Office space	15	36,738	1988
3	Lot PL02, Kawasan Zon Perdagangan Bebas, Senai, Johor	Leasehold Expiry : 2043	62,560 sq. metres	Regional printing plant extension	9	23,721	1997
4	Kawasan Perindustrian Ajil, Hulu Terengganu, Terengganu	Leasehold Expiry : 2057	58,436 sq. metres	Regional printing plant	6	21,455	1998
5	Mukim 1, Kawasan Perusahaan Prai, Seberang Prai, Pulau Pinang	Leasehold Expiry : 2035	8,100 sq. metres	Regional printing plant	6	15,957	1998
6	Lot 33, Jln Sultan Mohamed 1, Jln Lebu 1, Kaw.Perindustrian Bandar Sultan Sulaiman, Pelabuhan Klang Utara, Klang, Selangor	Leasehold Expiry : 2091	12,746 sq. metres	Warehouse	15	10,317	1991
7	31, Jalan Riong Off Jalan Bangsar, Kuala Lumpur	Freehold	7,820 sq. metres	Head Office	34	7,653	1972
8	Lot No. 323,324 & 325, Jln Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur	Leasehold Expiry : 2085	1,859 sq. metres	5 - storey shop office	20	6,544	1994
9	Lot 70, Hicom/Glenmarie, Industrial Park, Selangor	Freehold	10,805 sq. metres	Industrial Land (Vacant)	-	4,901	1999
10	Lot 1.65-1.68, 1.70-1.73 Lot K1.01 & K1.04 South City Plaza, Seri Kembangan, Selangor	Leasehold Expiry : 2093	439 sq. metres 36 sq. metres	Retail Shoplots Retail Kiosk	4	3,546	1997 2001

Jumlah saham-saham yang dipegang	
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No. Akaun CDS	
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Saya/Kami.....
(Nama Penuh Dengan Huruf Besar)

dari
(Alamat Penuh)

sebagai ahli/ahli-ahli THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD melantik * Pengerusi Mesyuarat atau

.....
(Nama Penuh Dengan Huruf Besar)

dari
(Alamat Penuh)

atau jika tidak dapat hadir.....
(Nama Penuh Dengan Huruf Besar)

dari
(Alamat Penuh)

sebagai proksi (wakil) saya/kami untuk menghadiri dan mengundi bagi pihak saya/kami di dalam Mesyuarat Agung Tahunan yang Ketiga Puluh Lima The New Straits Times Press (Malaysia) Berhad yang akan diadakan di Theatre Syarikat, Tingkat 5 Balai Berita (Anjung Riong), 31 Jalan Riong, 59100 Kuala Lumpur, MALAYSIA pada hari Khamis, 17 Mei 2007 jam 10.00 pagi dan/atau sebarang penangguhan Mesyuarat itu.

* Potong jika tidak berkenaan

Proksi (wakil) saya/kami akan mengundi dengan cara mengangkat tangan atau 'poll' mengikut tanda 'X' di bawah ini:-

	RESOLUSI	MENYOKONG	MENENTANG
No. 1	Untuk menerima dan mengguna pakai Penyata Kewangan Berkanun dan Laporan Pengarah bagi tahun kewangan berakhir 31 Disember 2006.		
No. 2	Untuk kelulusan bayaran dividen khas sebanyak 5 sen sesaham dan dividen akhir sebanyak 5 sen sesaham untuk jumlah dividen akhir 10 sen sesaham, tolak cukai 27% bagi tahun kewangan berakhir 31 Disember 2006.		
No. 3	Untuk melantik semula Dato' Zolkipli bin Abdul menurut Artikel 108.		
No. 4	Untuk melantik semula Dato' Seri Mohamed Jawhar menurut Artikel 108.		
No. 5	Untuk melantik semula Y Bhg Dato' Abdul Mutalib bin Mohamed Razak menurut Artikel 108.		
No. 6	Untuk melantik semula Y Bhg Dato' Hishamuddin bin Aun menurut Artikel 113.		
No. 7	Untuk meluluskan yuran para Pengarah sebanyak RM313,300 bagi tahun kewangan berakhir 31 Disember 2006.		
No. 8	Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit Syarikat dan memberi kuasa kepada Lembaga Pengarah untuk menetapkan bayaran mereka.		
No. 9	Kuasa Lembaga Pengarah untuk menerbitkan saham di bawah Seksyen 132D, Akta Syarikat 1965.		
No. 10	Pembaharuan Mandat Pemegang-pemegang Saham bagi Urus niaga Berulang dengan Pihak Berkaitan.		
No. 11	Mandat Baru Pemegang-pemegang Saham bagi Urus niaga Berulang Tambahan dengan Pihak Berkaitan.		
No. 12	Pembaharuan Mandat Pemegang-pemegang Saham bagi Pembelian Balik Saham.		
No. 13	Cadangan Pemindaan Tataurus Penubuhan Syarikat.		

Ditandatangani pada hari bulan 2007

.....
Tandatangan/Cop Mohor

Nota-nota:-

1. Setiap ahli Syarikat layak melantik proksi (dan dalam kes perbadanan, untuk melantik wakil) untuk hadir dan mengundi bagi pihaknya. Proksi tidak semestinya ahli Syarikat.
2. Di mana ahli Syarikat adalah nomini yang dibenarkan, ia boleh melantik sekurang-kurangnya seorang (1) proksi bagi setiap akaun sekuriti yang memegang saham-saham biasa Syarikat yang dimilikinya.
3. Dalam kes sebuah perbadanan, instrumen melantik proksi mesti dilaksanakan dengan menggunakan Cop Mohornya atau ditandatangani oleh peguamnya atau seorang pegawai bagi pihak perbadanan tersebut.
4. Instrumen melantik proksi mesti didepositkan kepada Pendaftar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia tidak kurang daripada 48 jam sebelum tempoh yang dipilih untuk mesyuarat atau sebarang tarikh tundaan selepasnya.

SETEM

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

d/a Pendaftar

Symphony Share Registrars Sdn Bhd

Tingkat 26, Menara Multi-Purpose

Capital Square

No. 8, Jalan Munshi Abdullah

50100 Kuala Lumpur

MALAYSIA



(Company No: 4485-H)
(Incorporated in Malaysia)

(Before completing this form please refer to the notes below)

No. of shares held	
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CDS Account No.	
-----------------	--

I/We
(Full Name in Capital Letters)

of
(Full Address)

being a member/members of THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD hereby appoint * the Chairman of the Meeting or
.....
(Full Name in Capital Letters)

of
(Full Address)

or failing whom
(Full Name in Capital Letters)

of
(Full Address)

as my/our proxy to vote for me/us and on my/our behalf, at the Thirty-fifth Annual General Meeting of The New Straits Times Press (Malaysia) Berhad to be held at the Theatre of Company, 5th Floor Balai Berita (Anjung Riong), 31 Jalan Riong, 59100 Kuala Lumpur, MALAYSIA on Thursday, 17 May 2007 at 10.00 a.m. and/or at any adjournment thereof .

* Delete if not applicable

My/our proxy is to vote on a show of hands or on a poll as indicated below with an 'X': -

	RESOLUTION	FOR	AGAINST
No. 1	To receive and adopt the Statutory Financial Statements and Directors' Report for the financial year ended 31 December 2006.		
No. 2	To approve payment of a special dividend of 5 sen per share and final dividend of 5 sen per share for a total dividend of 10 sen per share less 27% tax for the financial year ended 31 December 2006.		
No. 3	To re-elect Dato' Zolkipli bin Abdul under Article 108.		
No. 4	To re-elect Dato' Seri Mohamed Jawhar under Article 108.		
No. 5	To re-elect Y Bhg Dato' Abdul Mutalib bin Mohamed Razak under Article 108.		
No. 6	To re-elect Y Bhg Dato' Hishamuddin bin Aun under Article 113.		
No. 7	To approve the Directors' fees of RM313,300 for the financial year ended 31 December 2006.		
No. 8	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.		
No. 9	Approval for Directors to issue shares under Section 132D of the Companies Act, 1965.		
No. 10	Renewal of existing Shareholders' Mandate for Recurrent Related Party Transactions.		
No. 11	New Shareholders' Mandate for additional Recurrent Related Party Transactions.		
No. 12	Renewal of existing Shareholders' Mandate on Share Buy-back.		
No. 13	Proposed amendments to Company's Article of Association.		

Dated this day of 2007

.....
Signature/Corporate Seal

Notes:-

- Each member of the Company is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
- Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- In the case of a corporation, the proxy must be executed under its Common Seal or signed under the hand of its attorney or by an officer on behalf of the corporation.
- The instrument appointing the proxy must be deposited at The Registrar, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the meeting or at any adjournment thereof.

STAMP

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
c/o The Registrar
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
MALAYSIA