

FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

The Group	← Issued capital →		← Non-distributable reserved →			Attributable to ordinary equity holders of the Company RM	Minority interests RM	Total RM
	Ordinary shares RM	Irredeemable convertible preference share RM	Shares premium RM	Revaluation reserve RM	Accumulated loss RM			
Balance as of 1 January 2006	84,420,396	15,453,246	142,625,025	982,340	(104,538,181)	138,942,826	5,682,386	144,625,212
Issue of shares pursuant to the Rights Issue (Note 18)	28,140,132	-	(558,978)	-	-	27,581,154	-	27,581,154
Transfer from deferred tax (Note 21)	-	-	-	-	383,000	383,000	-	383,000
Transfer to accumulated loss	-	-	-	(982,340)	982,340	-	-	-
Dividend paid to minority interests	-	-	-	-	-	-	(763,648)	(763,648)
Total recognised income and expense - Profit/ (Loss) for the year	-	-	-	-	(3,443,379)	(3,443,379)	1,494,665	(1,948,714)
Balance as of 31 December 2006	112,560,528	15,453,246	142,066,047	-	(106,616,220)	163,463,601	6,413,403	169,877,004
Balance as of 1 January 2007	112,560,528	15,453,246	142,066,047	-	(106,616,220)	163,463,601	6,413,403	169,877,004
Share issue expenses (Note 19)	-	-	(16,114)	-	-	(16,114)	-	(16,114)
Issue of shares pursuant to the conversion of ICPS (Notes 18 & 19)	119,354,421	(15,158,013)	(104,196,408)	-	-	-	-	-
Share options exercised by minority interests	-	-	-	-	-	-	8,736,000	8,736,000
Dividend paid to minority interests	-	-	-	-	-	-	(8,911,836)	(8,911,836)
Loss on dilution of investment by the Group	-	-	-	-	-	-	404	404
Total recognised income and expense - Profit/(Loss) for the year	-	-	-	-	(1,098,110)	(1,098,110)	3,641,571	2,543,461
Balance as of 31 December 2007	231,914,949	295,233	37,853,525	-	(107,714,330)	162,349,377	9,879,542	172,228,919

The Company	← Issued capital →		Non distributable reserve	Distributable reserves	Total RM
	Ordinary shares RM	Irredeemable convertible preference shares RM			
Balance as of 1 January 2006	84,420,396	15,453,246	142,625,025	(78,652,173)	163,846,494
Issue of shares pursuant to the conversion of ICPS (Note 18)	28,140,132	-	(558,978)	-	27,581,154
Total recognised income and expense - Loss for the year	-	-	-	(32,601)	(32,601)
Balance as of 31 December 2006	112,560,528	15,453,246	142,066,047	(78,684,774)	191,395,047
Balance as of 1 January 2007	112,560,528	15,453,246	142,066,047	(78,684,774)	191,395,047
Share issue expenses (Note 19)	-	-	(16,114)	-	(16,114)
Issue of shares pursuant to the conversion of ICPS (Notes 18 & 19)	119,354,421	(15,158,013)	(104,196,408)	-	-
Total recognised income and expense - Profit for the year	-	-	-	24,192	24,192
Balance as of 31 December 2007	231,914,949	295,233	37,853,525	(78,660,582)	191,403,125

The accompanying Notes form an integral part of the Financial Statements.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

The Group	2007 RM	2006 RM	The Group	2007 RM	2006 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			Increase/(Decrease) in:		
Profit/(Loss) for the year	2,543,461	(1,948,714)	Trade payables	(1,207,709)	2,705,259
Adjustments for:			Other payables and accrued expenses	2,954,709	(111,000)
Income tax expense	2,568,658	1,633,972	Cash Used In Operations	(1,952,666)	(2,897,925)
Depreciation of property, plant and equipment	2,563,071	3,276,107	Income tax paid	(2,146,682)	(1,524,113)
Bad debts written off	621,413	64,252	Net Cash Used In Operating Activities	(4,099,348)	(4,422,038)
Property, plant and equipment written off	125,288	142,180	CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Finance costs	32,387	70,967	Interest received	750,021	135,995
Allowance for returns	30,184	-	Proceeds from disposal of property, plant and equipment	175,846	8,026,899
Loss on dilution of investment by the Group	404	-	Proceeds from disposal of investments	18,859	4,981
Interest income	(750,021)	(135,995)	Dividends received	767	791
Allowance for doubtful debts no longer required	(359,252)	-	Purchase of other investments	(4,200,000)	-
Gain on disposal of property, plant and equipment	(157,107)	(1,171,468)	Purchase of property, plant and equipment	(3,872,874)	(1,088,376)
Gain on disposal of investment in quoted shares	(1,909)	-	Net Cash (Used In)/From Investing Activities	(7,127,381)	7,080,290
Dividend income	(767)	(791)			
Allowance for doubtful debts	-	407,585			
Waiver of payables	-	(1,079,888)			
Reversal of accrued expenses no longer required	-	(1,032,806)			
Operating Profit Before Working Capital Changes	7,215,810	225,401			
(Increase)/Decrease in:					
Inventories	(5,088,828)	(1,598,868)			
Trade receivables	(5,578,446)	(4,411,696)			
Other receivables and prepaid expenses	(248,202)	292,979			

FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

The Group	Note	2007 RM	2006 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from exercise of share options by minority interests		8,736,000	-
Dividend paid by a subsidiary company to minority interests		(8,911,836)	(763,648)
Payment of hire-purchase payables		(36,729)	(37,762)
Finance costs paid		(32,387)	(70,967)
Share issue expenses		(16,114)	(558,978)
Proceeds from issue of shares		-	28,140,132
Net Cash (Used In)/From Financing Activities		(261,066)	26,708,777
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,487,795)	29,367,029
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		40,484,812	11,117,783
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	28,997,017	40,484,812
The Company			
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Profit/(Loss) for the year		24,192	(32,601)
Adjustments for:			
Income tax expense		160,000	19,934
Depreciation of property, plant and equipment		8,915	7,365
Interest income		(523,442)	(61,436)
Operating Loss Before Working Capital Changes		(330,335)	(66,738)
Increase in other receivables and prepaid expenses		(84,487)	(8,732)
(Decrease)/Increase in:			
Other payables and accrued expenses		(1,625,015)	1,625,429
Amount owing to a subsidiary company		4,540	122,000
Cash (Used In)/Generated From Operations		(2,035,297)	1,671,959
Income tax paid		(86,004)	(19,934)
Net Cash (Used In)/From Operating Activities		(2,121,301)	1,652,025
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest received		523,442	61,436
Increase in amount owing by subsidiary companies		(12,222,714)	(2,087,547)
Purchase of property, plant and equipment		(10,814)	(9,040)
Net Cash Used In Investing Activities		(11,710,086)	(2,035,151)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issue of shares		-	28,140,132
Share issue expenses		(16,114)	(558,978)
Net Cash (Used In)/From Financing Activities		(16,114)	27,581,154
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(13,847,501)	27,198,028
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		27,829,496	631,468
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	13,981,995	27,829,496

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Company is principally involved in investment holding.

The principal activities of the subsidiary companies are as disclosed in Note 13.

There have been no significant changes in the nature of the activities of the Company and of its subsidiary companies during the financial year.

The Company's registered office is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1, Jalan Imbi, 55100 Kuala Lumpur.

The Company's principal place of business is located at Level 5, Lot 6, Jalan 51/217, 46050 Petaling Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 24 April 2008.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance

with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia.

Changes in Accounting Policies

On 1 January 2007, the Group and the Company adopted all the new and revised FRS and amendments to FRS issued by MASB that are relevant to their operations and effective for financial periods beginning on or after 1 January 2007 as follows:

FRS 124 Related Party Disclosures

The adoption of these new/revised FRSs and amendments to FRS did not result in significant changes in the accounting policies of the Group and the Company.

Accounting Standards, Amendments to FRSs and IC Interpretations Issued But Not Yet Effective

At the date of authorisation of the financial statements, the following new and revised FRSs, amendments to FRS and IC Interpretations were in issue but not yet effective until future periods:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and Reporting by Retirement Benefits Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration And Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above FRSs, amendment to FRSs and IC Interpretations shall apply to annual periods beginning on or after 1 July 2007 except for the following renamed FRSs which have the same effective dates as their original Standards, i.e., annual periods beginning on or after 1 January 2003:

- FRS 119 Employee Benefits, which supersedes FRS 119₂₀₀₄ Employee Benefits and Amendment to FRS119₂₀₀₄ Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures;
- FRS 126 Accounting and Reporting by Retirement Benefit Plans, which supersedes FRS 126₂₀₀₄ Accounting and Reporting by Retirement Benefit Plans; and
- FRS 129 Financial Reporting in Hyperinflationary Economies, which supersedes FRS 129₂₀₀₄ Financial Reporting in Hyperinflationary Economies.

The effective adoption date in respect of FRS 139 has yet to be determined by MASB. This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

Saved for FRS 139, the directors anticipate that the adoption of these FRSs, amendments to FRSs and IC Interpretations in future periods will have no material financial effect on the financial statements of the Group and of the Company in the period of initial application. By virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the respective accounting policies.

(b) Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and of all its subsidiary companies made up to 31 December 2007. Subsidiary companies are those companies in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date when control ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the effective date of acquisition or to the effective date of disposal, as applicable. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements.

FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statements.

Negative goodwill represents the excess of the fair values of the identifiable net assets of a subsidiary company acquired at the date of acquisition over the cost of the Company's investment and is recognised directly in the income statements.

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

All significant inter-company balances and transactions are eliminated on consolidation. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar transactions.

(c) Revenue

Revenue of the Group represents the net invoiced value of services rendered and product sold, arising from the publication, printing and distribution of newspaper, periodicals, journals, magazines and books.

Revenue from advertisement is recognised upon placement of the advertisement in the publication, whereas revenue from publication and subscription is recognised upon delivery of the publication to the vendors (less returns) and subscribers.

Rental income is recognised on accrual basis in accordance with the agreement entered into.

Interest income is recognised as it accrues unless collectibility is in doubt.

Dividend income is accounted for when the right to receive dividend is established.

(d) Income Tax

Income tax expenses represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is provided for, using the "liability" method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transactions which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of the deferred tax assets, if any, is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statements, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(e) Foreign Currency Conversion

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For purpose of consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statements for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in

income statements for the year except for differences arising on the retranslation of non-monetary items in respect of which gain and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

(f) Employee Benefits

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

The Group and the Company make statutory contributions to an approved provident fund and contributions are charged to the income statements. Once the contributions have been paid, the Group and the Company have no further payment obligations. The approved provident fund is a defined contribution plan.

(g) Impairment of Assets

The carrying amounts of property, plant and equipment, publishing rights, investment in subsidiary companies and other investments in unquoted shares are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statements.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statements.

(h) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, modified by the revaluation of leasehold land and factory buildings.

Leasehold land and factory buildings of a subsidiary company have not been revalued since they were last revalued in 1994. The directors of the said subsidiary company have not adopted a policy of regular revaluations of such properties. As permitted under the transitional provisions of International Accounting Standard No. 16 (Revised), Property, Plant and Equipment by virtue of which a reporting enterprise which does not adopt a policy of revaluation is allowed to retain revalued amounts of property, plant and equipment on the basis of their previous revaluation (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount). The leasehold land and factory buildings were sold in the previous financial year.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same asset. In all other cases, a decrease in carrying amount is charged to the income statements. An increase in revaluation directly related to a previous decrease in carrying amount for the same asset that was recognised as an expense, is credited to the income statements to the extent that it offsets the previously recorded decrease.

Depreciation of property, plant and equipment is computed on the straight-line method at the following annual rates based on the estimated useful lives of the various assets:

Leasehold land	Over the lease period of 60 years
Leasehold factory buildings	2%
Plant and machinery	5% - 20%
Office, factory equipment and airconditioning system	5% - 20%
Furniture, fittings and fixtures	5% - 20%
Computers	10% - 33%
Motor vehicles	20% - 25%
Renovations	5% - 20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed of are transferred to retained earnings.

(i) Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

(j) Publishing rights

Publishing rights are stated at cost less impairment losses, if any.

(k) Leased Assets

Assets under leases which in substance transfer the risks and benefits of ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the leased assets which approximates the present value of the minimum lease payments, at the beginning of the respective lease terms.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statements over the term of the relevant lease period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. All other leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statements as incurred.

(l) Investments

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost in the Company's financial statements less any impairment losses.

Other investments in quoted shares are stated at the lower of cost and market value. Market value is calculated by reference to stock exchange last done prices at the close of business at the balance sheet date.

Other investments in unquoted shares are stated at cost less any impairment losses.

(m) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average method. The cost of trading merchandise and raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location and condition. The cost of production materials comprises the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(n) Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

(o) Provisions

Provisions are made when the Group and the 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

(p) Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**(i) Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the assumptions and estimation made in relation to the review of impairment of publishing rights as mentioned in Note 12.

5. REVENUE

	The Group	
	2007 RM	2006 RM
Advertising, publication and subscription	105,387,421	83,515,615
Events management income	260,714	348,718
	<u>105,648,135</u>	<u>83,864,333</u>

6. SEGMENT REPORTING**Business segments**

The Group is organised into the following operating divisions:

- investment holdings
- publishing
- others

The Group 2007	Investment holdings RM	Publishing RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
Total revenue	-	105,387,421	21,206,693	(20,945,979)	<u>105,648,135</u>
Results					
Profit/(Loss) from operations	184,192	6,300,771	(721,462)	(618,995)	5,144,506
Finance costs	-	(86,062)	-	53,675	(32,387)
Profit before tax					5,112,119
Income tax expense					(2,568,658)
Profit for the year					<u>2,543,461</u>
Other Information					
Capital additions	10,814	3,807,191	54,869	-	3,872,874
Depreciation of property, plant and equipment	8,915	2,491,528	62,628	-	<u>2,563,071</u>
Consolidated Balance Sheet Assets					
Segment assets	194,142,278	53,996,631	40,732,437	(92,571,688)	196,299,658
Unallocated corporate asset					59,566
Consolidated total asset					<u>196,359,224</u>
Liabilities					
Segment liabilities	2,699,492	96,655,996	29,675,274	(106,152,001)	22,878,761
Unallocated corporate liabilities					1,251,544
Consolidated total liabilities					<u>24,130,305</u>
The Group 2006					
Revenue					
Total revenue	-	83,515,615	9,045,266	(8,696,548)	<u>83,864,333</u>
Results					
(Loss)/Profit from operations	(12,667)	1,258,033	1,282,434	(206,707)	(243,775)
Finance costs					(70,967)
Loss before tax					(314,742)
Income tax expense					(1,633,972)
Loss for the year					<u>(1,948,714)</u>
Other Information					
Capital additions	9,040	1,074,440	4,896	-	1,088,376
Depreciation of property, plant and equipment	7,365	3,219,992	48,750	-	<u>3,276,107</u>
Consolidated Balance Sheet Assets					
Segment assets	195,680,679	52,094,354	31,666,857	(87,626,394)	191,815,496
Unallocated corporate asset					94,663
Consolidated total asset					<u>191,910,159</u>

FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

The Group 2006	Investment holdings RM	Publishing RM	Others RM	Eliminations RM	Consolidated RM
Liabilities					
Segment liabilities	4,319,967	90,006,963	16,405,183	(89,563,623)	21,168,490
Unallocated corporate liabilities					864,665
Consolidated total liabilities					<u>22,033,155</u>

Information on the Group's operations by geographical segments is not applicable as the Group operates principally in Malaysia.

7. DIRECTORS' REMUNERATION

Directors' remuneration, which is included as part of the administrative expenses in the income statements, is as follows:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Executive directors:				
Emoluments	1,770,000	1,770,000	-	-
Contributions to Employees Provident Fund	212,400	212,400	-	-
	<u>1,982,400</u>	<u>1,982,400</u>	-	-
Non-executive directors:				
Fees	19,500	29,000	19,500	29,000
	<u>2,001,900</u>	<u>2,011,400</u>	<u>19,500</u>	<u>29,000</u>

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM69,215 (RM66,582 in 2006).

The remunerations of the key management personnel, which are the directors' remuneration, are as disclosed above.

8. PROFIT/(LOSS) BEFORE TAX

This is arrived at after the following credits/(charges):

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Interest income	750,021	135,995	523,442	61,436
Allowance for doubtful debts no longer required	359,252	-	-	-
Gain on disposal of property, plant and equipment	157,107	-	-	-
Bad debts recovered	15,812	-	-	-
Gain on disposal of investment in quoted shares	1,909	-	-	-
Dividend (gross) from quoted investments in Malaysia	767	791	-	-
Staff costs	(29,452,382)	(27,243,704)	-	-
Depreciation of property, plant and equipment	(2,563,071)	(3,276,107)	(8,915)	(7,365)
Bad debts written off	(621,413)	(64,252)	-	-
Rental of premises	(613,067)	(1,317,446)	-	-
Property, plant and equipment written off	(125,288)	(142,180)	-	-
Auditors' remuneration:				
Current year	(65,000)	(69,000)	(12,000)	(10,000)
(Under)/Overprovision in prior year	(2,500)	1,000	(2,000)	-
Rental of equipment	(48,710)	-	-	-
Realised (loss)/gain on foreign exchange	(40,428)	21,062	-	-
Finance costs comprising interest expense on:				
Hire-purchase	(32,387)	(34,057)	-	-
Amount owing to corporate shareholder	-	(36,910)	-	-
Allowance for returns	(30,184)	-	-	-
Loss on dilution of investment by the Group	(404)	-	-	-
Exceptional items:				
Gain on disposal of property, plant and equipment	-	1,171,468	-	-
Waiver of payables	-	1,079,888	-	-
Reversal of accrued expenses no longer required	-	1,032,806	-	-
Bad debts recovered	-	971,562	-	-
Allowance for doubtful debts	-	(407,585)	-	-

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other payroll costs. Contributions to EPF during the financial year by the Group amounted to RM2,568,359 (RM2,292,339 in 2006).

9. INCOME TAX EXPENSE

Income tax expense consists of the following:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Estimated tax payable:				
Current	2,964,961	1,633,972	160,000	19,934
Overprovision in prior years	(396,303)	-	-	-
	<u>2,568,658</u>	<u>1,633,972</u>	<u>160,000</u>	<u>19,934</u>

A reconciliation of income tax expense applicable to profit/(loss) before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Profit/(Loss) before tax	5,112,119	(314,742)	184,192	(12,667)
Tax at applicable statutory tax rate of 27% (28% in 2006)	1,380,272	(88,130)	49,732	(3,600)
Tax effects of expenses that are not deductible in determining taxable profit	925,289	442,393	110,268	23,534
Deferred tax assets not recognised	761,300	2,726,400	-	-
Overprovision in prior years	(396,303)	-	-	-
Utilisation of deferred tax asset previously not recognised	(101,900)	-	-	-
Income not subject to tax	-	(857,931)	-	-
Losses surrendered by a subsidiary company under Section 44A	-	(588,760)	-	-
	<u>2,568,658</u>	<u>1,633,972</u>	<u>160,000</u>	<u>19,934</u>

As of 31 December 2007, the balance in the tax-exempt accounts relating to the income tax waived and tax incentives utilised in accordance with the Income Tax (Amendment) Act, 1999 and Promotion of Investments Act, 1986 for the Company and certain subsidiary companies amounted to RM3,503,000 (RM3,503,000 in 2006) and RM17,079,288 (RM17,079,288 in 2006), respectively. The said amounts, if agreed with the tax authorities, will enable the Company and the said subsidiary companies to distribute tax-exempt dividends up to the same amounts.

10. LOSS PER ORDINARY SHARE

Basic	The Group	
	2007	2006
Net loss attributable to ordinary shareholders of the Company (RM)	(1,098,110)	(3,443,379)
Weighted average number of ordinary shares of RM1.00 each in issue	164,520,765	84,728,781
Basic loss per ordinary share (sen)	<u>(0.67)</u>	<u>(4.06)</u>

Fully Diluted

Diluted earnings per share is not presented as the ICPS, if converted, or the warrants, if exercised, would result in anti-dilutive loss per ordinary share.