

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

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land - at 1994 valuation RM	Leasehold factory buildings - at 1994 valuation RM	Plant and machinery RM	Office, factory equipment and air-conditioning system RM	Furniture, fittings and fixtures RM	Computers RM	Motor vehicles RM	Renovations RM	Total RM
Cost except as otherwise stated									
Balance as of 1 January 2006	3,235,751	5,045,695	2,241,326	26,091,003	1,108,738	15,375,917	3,853,649	584,801	57,536,880
Additions	-	-	-	243,353	-	487,184	322,719	35,120	1,088,376
Disposals/Write-offs	(3,235,751)	(5,045,695)	(210,235)	(4,639,925)	(350,126)	(205,701)	(319,347)	(21,362)	(14,028,142)
Balance as of 31 December 2006/ 1 January 2007	-	-	2,031,091	21,694,431	758,612	15,657,400	3,857,021	598,559	44,597,114
Additions	-	-	-	907,956	224,132	1,631,363	257,300	852,123	3,872,874
Disposals/Write-offs	-	-	(563,584)	(1,971,846)	(390,698)	(6,855,591)	(661,648)	(483,028)	(10,926,395)
Balance as of 31 December 2007	-	-	1,467,507	20,630,541	592,046	10,433,172	3,452,673	967,654	37,543,593
Accumulated Depreciation									
Balance as of 1 January 2006	507,370	1,150,896	1,919,626	23,329,717	908,350	11,243,373	3,331,156	489,664	42,880,152
Charge for the year	-	-	137,933	1,646,335	23,887	1,173,428	274,829	19,695	3,276,107
Disposals/Write-offs	(507,370)	(1,150,896)	(171,692)	(4,517,171)	(262,983)	(79,786)	(319,345)	(21,288)	(7,030,531)
Balance as of 31 December 2006/ 1 January 2007	-	-	1,885,867	20,458,881	669,254	12,337,015	3,286,640	488,071	39,125,728
Charge for the year	-	-	56,484	951,303	43,116	1,133,634	269,583	108,951	2,563,071
Disposals/Write-offs	-	-	(563,584)	(1,947,721)	(346,602)	(6,855,588)	(651,070)	(417,803)	(10,782,368)
Balance as of 31 December 2007	-	-	1,378,767	19,462,463	365,768	6,615,061	2,905,153	179,219	30,906,431
Net Book Value									
Balance as of 31 December 2007	-	-	88,740	1,168,078	226,278	3,818,111	547,520	788,435	6,637,162
Balance as of 31 December 2006	-	-	145,224	1,235,550	89,358	3,320,385	570,381	110,488	5,471,386

The Company

Cost

	Office and factory equipment RM
Balance as of 1 January 2006	61,191
Additions	9,040
Balance as of 31 December 2006 / 1 January 2007	70,231
Additions	10,814
Balance as of 31 December 2007	81,045
Accumulated Depreciation	
Balance as of 1 January 2006	48,403
Charge for the year	7,365
Balance as of 31 December 2006 / 1 January 2007	55,768
Charge for the year	8,915
Balance as of 31 December 2007	64,683
Net Book Value	
Balance as of 31 December 2007	16,362
Balance as of 31 December 2006	14,463

The leasehold land and factory buildings of a subsidiary company were revalued by the directors in 1994 based on a valuation by professional valuers using the open market value basis. The surplus arising from the said revaluation, net of the related deferred tax liabilities amounting to RM383,000, has been credited to revaluation reserve. The leasehold land and factory buildings were sold during the previous financial year and the related revaluation surplus had been transferred to the accumulated loss account.

Included in property, plant and equipment of the Group are motor vehicles with carrying value of RM360,597 (RM430,337 in 2006) acquired under hire-purchase arrangements.

12. PUBLISHING RIGHTS

	The Group	
	2007 RM	2006 RM
At beginning and end of year	120,000,000	120,000,000

Publishing rights acquired in a business combination is allocated to the cash generating unit ("CGU") that is expected to benefit from the business combination.

The Group tests publishing rights for impairment annually or more frequently if there are indications that publishing rights might be impaired.

Key assumptions used in value-in-use calculations

The recoverable amounts of the CGU is determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates

and expected changes to pricing and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in pricing and direct costs are based on past practices and expectations of future changes in the market. The Group prepares cash flow forecasts derived from the most recent financial budget prepared by management for the next 15 years and extrapolates cash flows for the following 15 years based on estimated internal rate of return of 14.6%.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the unit to materially exceed their recoverable amounts.

13. INVESTMENT IN SUBSIDIARY COMPANIES

Investment in subsidiary companies consists of:

	The Company	
	2007 RM	2006 RM
Unquoted shares - at cost	186,419,686	186,419,686
Less: Impairment loss	(80,000,000)	(80,000,000)
	106,419,686	106,419,686

The details of subsidiary companies, all incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2007 %	2006 %	
Direct			
Gemtech (M) Sdn. Bhd.	100	100	Trading of publication materials.
Hup Sheng Jewellery Sdn. Bhd.	100	100	Property holdings. Ceased operations.
Sun Media Corporation Sdn. Bhd.	100	100	Publication, printing and distribution of daily newspaper.
Moves & Shakes Sdn. Bhd.	100	100	Promoters and organisers of events, seminars, workshops, concerts and others.
Indirect - held through Gemtech (M) Sdn. Bhd.			
The Edge Communications Sdn. Bhd.	50	70	Publisher of financial daily and periodical newspaper, magazines, journals, books and other literary works and undertakings.

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

Name of Company	Effective Equity Interest		Principal Activities
	2007 %	2006 %	
Indirect - held through Sun Media Corporation Sdn. Bhd.			
Corporate World Sendirian Berhad	98.82	98.82	Publication of magazines. Ceased operations in March 1998 and is currently under voluntary liquidation.
Fikiran Graphics Sdn. Bhd.	96.67	96.67	Colour separators. Ceased operations in October 2001 and is currently under voluntary liquidation.
Nadi Publications Sdn. Bhd.	99.99	99.99	Publication of magazines. Ceased operations in 1994 and is currently under voluntary liquidation.

On 29 January 2007, the options to subscribe for an aggregate of 1,600,000 new ordinary shares of RM1 each in The Edge Communications Sdn. Bhd. ("TECSB"), an indirect subsidiary of the Company, has been exercised in full.

The options were granted by TECSB on 4 March 2002 prior to the acquisition of 2,800,000 ordinary shares of RM1 each in TECSB by the Company which represents 70% of the issued and paid-up share capital of TECSB pursuant to a conditional share sale and purchase agreement dated 23 May 2002.

As a result of the issuance of an additional 1,600,000 new ordinary shares of RM1 each by TECSB pursuant to the exercise of the said options, the Group's equity interest in TECSB has been diluted from 70% to 50%.

Amount owing by/to subsidiary companies, which arose mainly from expenses paid on behalf and interest-free advances, is unsecured and has no fixed repayment terms. Noncurrent portion of the amount owing by subsidiary companies is not intended to be repaid within the next twelve months.

14. OTHER INVESTMENTS

	The Group	
	2007 RM	2006 RM
Shares in Malaysia - at cost:		
Quoted	83	17,033
Unquoted	4,200,000	-
	<u>4,200,083</u>	<u>17,033</u>
Market value of quoted shares	11,235	18,571

15. INVENTORIES

	The Group	
	2007 RM	2006 RM
At cost:		
Raw materials	7,762,620	3,079,091
Production materials	1,582,490	1,181,889
Trading merchandise	13,698	9,000
	<u>9,358,808</u>	<u>4,269,980</u>

16. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consists of the following:

	The Group	
	2007 RM	2006 RM
Trade receivables	27,611,272	22,689,497
Less: Allowance for doubtful debts and returns	(2,108,760)	(2,473,086)
	<u>25,502,512</u>	<u>20,216,411</u>

During the year, the Group wrote off trade receivables amounting to RM35,258 (RMNil in 2006) against allowance for doubtful debts and returns.

The credit period granted to customers ranges from 90 to 120 days (90 to 120 days in 2006).

Analysis of the Group's trade receivables by currency:

	The Group	
	2007 RM	2006 RM
Ringgit Malaysia	26,138,103	21,556,655
Singapore Dollar	1,448,443	1,078,532
United States Dollar	24,726	54,310
	<u>27,611,272</u>	<u>22,689,497</u>

Other receivables and prepaid expenses consist of the following:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other receivables	780,899	687,350	93,883	9,496
Prepaid expenses	225,614	130,335	6,986	6,886
Refundable deposits	597,563	538,189	-	-
Tax recoverable	59,566	94,663	-	34,335
	<u>1,663,642</u>	<u>1,450,537</u>	<u>100,869</u>	<u>50,717</u>

Analysis of other receivables by currency:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Ringgit Malaysia	756,552	666,516	93,883	9,496
Singapore Dollar	24,347	20,834	-	-
	<u>780,899</u>	<u>687,350</u>	<u>93,883</u>	<u>9,496</u>

17. SIGNIFICANT RELATED PARTY TRANSACTIONS

Related parties are entities, excluding related companies, which have common directors and/or shareholders with the Company or its subsidiary companies and associated companies and/or are related to certain directors of the Company.

During the financial year, significant related party transactions with the Group are as follows:

Name of Company	Relationship	Nature	The Group	
			2007 RM	2006 RM
The Edge Publishing Pte. Ltd.	A company in which certain directors of the Company, Messrs. Tong Kooi Ong, Ho Kay Tat and Tan Boon Kean, are also directors	Production charges receivable Commission payable Commission receivable	744,720 200,757 187,784	759,991 223,417 15,721
Asia Analytica Sdn. Bhd.	A company in which a director of the Company, Mr. Tong Kooi Ong, is also a director and shareholder	Script fee	340,000	360,000
Praxis Communications Ltd.	A company in which certain directors of the Company, Messrs. Tong Kooi Ong, Tan Boon Kean and Ho Kay Tat, are also directors	Production charges receivable Purchase of inventories	2,887 16,983	5,812 27,000
Novacomm Integrated Sdn. Bhd.	A company in which a director of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a shareholder	Advertising revenue	-	50,551
Regnis Industries (Malaysia) Sdn. Bhd.	A company in which a director of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a shareholder	Rental charged Security charges	222,044 18,921	396,451 10,713

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

Name of Company	Relationship	Nature	The Group	
			2007 RM	2006 RM
Berjaya Times Square Sdn. Bhd.	A company in which a director of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a shareholder	Advertising revenue	-	7,875
7-Eleven Malaysia Sdn Bhd (formerly known as Convenience Shopping Sdn Bhd)	A company in which a director of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a shareholder	Advertising revenue	158,676	412,692
		Distribution charges	158,676	412,692
Inter-Pacific Securities Sdn Bhd	A company in which a director of the Company, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a shareholder	Advertising revenue	75,285	77,175
Sunrise Berhad	A company in which a director of the Company, Mr. Tong Kooi Ong, is also a director and shareholder	Event management fee	160,471	231,108
		Advertising revenue	-	17,850

18. SHARE CAPITAL

Share capital is represented by:

	The Group and The Company	
	2007 RM	2006 RM
Authorised:		
Ordinary shares of RM1.00 each		
At beginning of year	470,000,000	270,000,000
Created during the year	-	200,000,000
At end of year	470,000,000	470,000,000
Irredeemable Convertible Preference Shares of RM0.10 each ("ICPS")		
At beginning and end of year	30,000,000	30,000,000
Total	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of year	112,560,528	84,420,396
Issued during the year	119,354,421	28,140,132
At end of year	231,914,949	112,560,528
Irredeemable Convertible Preference Shares of RM0.10 each		
At beginning of year	15,453,246	15,453,246
Conversion to ordinary shares	(15,158,013)	-
At end of year	295,233	15,453,246
Total	232,210,182	128,013,774

During the financial year, the issued and paid-up ordinary share capital of the Company was increased from RM112,560,528 to RM231,914,949 through the issue of 119,354,421 ordinary shares of RM1.00 each pursuant to the conversions of ICPS.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

Accordingly, the issued and paid-up ICPS of the Company was decreased from RM15,453,246 to RM295,233 as a result of the conversions as mentioned above.

The salient features of the ICPS are as follows:

- ICPS will be unsecured and shall rank pari passu without discrimination or preference as unsecured obligations of the Company and shall be subordinated to and rank (subject to such exceptions as may from time to time exist under prevailing law) after all other secured and unsecured obligations of the Company;
- ICPS will be irredeemable. All outstanding ICPS will be convertible into new ordinary shares of RM1.00 each on the maturity date;
- All the new ordinary shares of RM1.00 each credited as fully paid to be issued upon the conversion of the ICPS will, upon allotment and issue, rank pari passu in all respects

with the then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments or other distributions declared prior to the date of allotment of the said new shares; and

- Except with the consent or sanction of the holders, no further preference shares shall be issued by the Company ranking prior to or pari passu with the preference shares nor shall the capital of the Company be reduced and the rights and privileges of the holders of such shares shall not be altered without such consent.

During the previous financial year, a total of 56,280,624 free warrants were issued by the Company in conjunction with the Rights Issue. As of year end, none of the warrants have been exercised.

The salient features of the Warrants are as follows:

- each Warrant carries the entitlement to subscribe for one (1) new ordinary share of RM1.00 each in the share capital of the Company at an exercise price which is fixed at RM1.00, and is subject to any adjustments made in accordance with the provisions of the Deed Poll dated 19 October 2006 governing the Warrants; and
- the Warrants are exercisable commencing on and including the date of issuance of the Warrants. All Warrants not exercised before the expiry date, being a date ten (10) years from the issuance of the Warrants will thereafter lapse and cease to be valid.

19. RESERVES

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Non-distributable reserves:				
Share premium	37,853,525	142,066,047	37,853,525	142,066,047
Accumulated loss	(107,714,330)	(106,616,220)	(78,660,582)	(78,684,774)
	(69,860,805)	35,449,827	(40,807,057)	63,381,273

Share premium

	The Group and The Company	
	2007 RM	2006 RM
At beginning of year	142,066,047	142,625,025
Share issue expenses	(16,114)	(558,978)
Conversion of 151,580,130 ICPS into 119,354,421 new ordinary shares of RM1.00 each	(104,196,408)	-
At end of year	37,853,525	142,066,047

20. HIRE-PURCHASE PAYABLES

	The Group	
	2007 RM	2006 RM
Balance outstanding	352,882	402,594
Interest-in-suspense	(51,286)	(64,269)
Principal portion	301,596	338,325
Payable as follows:		
Within the next 12 months (included under current liabilities)	162,880	149,656
Between 1 - 2 years	45,580	138,225
Between 2 - 3 years	93,136	50,444
After the next 12 months	138,716	188,669
Total	301,596	338,325

The interest rates implicit in these hire-purchase obligations range from 4.72% to 8.70% (5.56% to 9.15% in 2006) per annum.

21. DEFERRED TAX LIABILITIES

	The Group	
	2007 RM	2006 RM
At beginning of year	-	383,000
Transfer to accumulated loss	-	(383,000)
At end of year	-	-

The deferred tax liabilities represent the tax effects of temporary differences arising from revaluation reserve.

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

As mentioned in Note 3, the tax effects of temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax asset are recognised 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. As of 31 December 2007, the estimated amount of net deferred tax asset of the Group, calculated at current tax rate which has not been recognised in the financial statements, is as follows:

	The Group Deferred Tax Asset/(Liability)	
	2007 RM	2006 RM
Tax effects of:		
Temporary differences in respect of:		
Property, plant and equipment	(753,300)	(768,280)
Others	332,000	419,980
Unused tax losses	63,262,000	62,852,600
Unabsorbed capital allowances	6,481,800	6,158,800
Net deferred tax asset	69,322,500	68,663,100

The unused tax losses and unabsorbed capital allowances are subject to agreement with the tax authorities.

22. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

The credit periods granted to the Group for trade purchases range from 90 to 120 days (90 to 120 days in 2006).

Analysis of trade payables by currency:

	The Group	
	2007 RM	2006 RM
Ringgit Malaysia	2,605,003	3,842,041
United States Dollar	49,423	17,322
Singapore Dollar	31,481	34,253
	2,685,907	3,893,616

Other payables and accrued expenses consist of:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Other payables	3,079,248	4,557,999	42,713	1,663,728
Accrued expenses	15,258,673	11,073,913	34,841	38,841
Deposits and advance subscription received	1,238,337	989,637	-	-
Amount owing to directors	315,000	315,000	-	-
	19,891,258	16,936,549	77,554	1,702,569

Amount owing to directors, which arose mainly from unsecured advances, is interest-free and is repayable on demand.

Included in other payables of the Group and the Company is an amount of RMNil (RM1,560,412 in 2006) represents cash received to be refunded to the unsuccessful applicants of the Rights Issue.

23. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group		The Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Cash and bank balances	7,996,230	10,760,869	31,629	1,980,700
Fixed deposits with licensed banks	21,000,787	29,723,943	13,950,366	25,848,796
	28,997,017	40,484,812	13,981,995	27,829,496

Fixed deposits with licensed banks earn interest at rates ranging from 2.5% to 3.45% (2.5% to 3.4% in 2006) per annum. Fixed deposits have an average maturity ranging from 3 to 30 days (3 to 30 days in 2006).

24. CONTINGENT LIABILITIES

As of 31 December 2007, there are several legal suits which involve claims amounting to approximately RM111,750,000 (RM61,750,000 in 2006) against a subsidiary company acquired in 2003, the outcome and probable compensation, if any, of which is currently indeterminable.

Indemnity contracts was entered into on 9 September 2003 between the said subsidiary company and the vendors, whereby the said vendors agree to indemnify the subsidiary company in full for all losses, damages, liabilities and claims whatsoever which the subsidiary company may incur or sustain as a result of or arising from the litigation suits.

25. LEASE COMMITMENTS

As of 31 December 2007, a subsidiary company has non-cancellable lease commitments in respect of rental of premises as follows:

	The Group Minimum Future Lease Payments	
	2007 RM	2006 RM
Within 1 year	-	94,985

26. FINANCIAL INSTRUMENTS**Financial Risk Management Objectives and Policies**

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

(i) Foreign currency risk

The Group undertakes trade transactions with a number of foreign companies, where amounts owing are exposed to currency translation risks.

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on fixed deposits. The interest rates for fixed deposits of the Group are disclosed in Note 23.

(iii) Credit risks

The Group is exposed to credit risk mainly from trade receivables. Trade receivables are monitored closely on an on-going basis through management reporting procedures.

The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history.

(iv) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

(v) Cash flow risk

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Financial Assets

The Group's principal financial assets are fixed deposits with licensed banks, cash and bank balances, trade and other receivables, and other investments.

The financial assets of the Company also include amount owing by subsidiary companies.

The accounting policies applicable to the major financial assets are as disclosed in Note 3.

Financial Liabilities

Debts and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Significant financial liabilities of the Group include trade and other payables and hire-purchase payables, which are stated at their nominal values.

The financial liabilities of the Company also include amount owing to a subsidiary company.

Fair Value of Financial Assets and Financial Liabilities

The carrying amount and the estimated fair value of the Group's financial assets and liabilities as of 31 December 2007 are as follows:

	2007		2006	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial assets				
Other investments:				
Shares in Malaysia				
- Quoted	83	11,235	17,033	18,571
- Unquoted	4,200,000	4,200,000	-	-
Financial liabilities				
Hire-purchase payables	301,596	292,013	338,325	325,716

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

Hire-purchase payables

The fair value of hire-purchase payables is estimated using discounted cash flow analysis based on current financing rates for similar types of hire-purchase arrangements.

Investments

The fair value of investments in quoted shares is calculated by reference to stock exchange last done prices at the close of business at the balance sheet date.

The fair value of investments in unquoted shares was based on directors' estimation of the Group's share of the fair values of the underlying assets.

Cash and cash equivalents, other investments, trade and other receivables, trade and other payables and amount owing by/to subsidiary companies

The carrying amounts approximate fair value because of the short maturity period of these instruments.

compliance with the PSSR. As of todate, the Company and/or the Parties have not formulated any plans to address the PSSR.

- (iv) On 23 April 2008, the Company changed its name from Nexnews Berhad to its present name.

STATEMENT BY DIRECTORS

The Directors of **BERJAYA MEDIA BERHAD** (formerly known as Nexnews Berhad) state that, in their opinion, the accompanying balance sheets and statements of income, cash flows and changes in equity are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Malaysian Accounting Standards Board approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 December 2007 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

.....
FREDDIE PANG HOCK CHENG

.....
NG SENG HIN

Petaling Jaya,
24 April 2008

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **NG SENG HIN**, the Director primarily responsible for the financial management of **BERJAYA MEDIA BERHAD** (formerly known as Nexnews Berhad), do solemnly and sincerely declare that the accompanying balance sheets and statements of income, cash flows and changes in equity, 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.

Subscribed and solemnly declared by the above named **NG SENG HIN** at **KUALA LUMPUR** this 24th day of April 2008.

.....
Before me,

.....
COMMISSIONER FOR OATHS

27. SIGNIFICANT EVENT

During the financial year, Gemtech (M) Sdn. Bhd. ("Gemtech"), a wholly-owned subsidiary of the Company completed the acquisition of 35% equity interest in The Borneo Sun Sdn. Bhd. ("BSSB"), a company incorporated in Malaysia, for a total cash consideration of RM4,200,000. The appointment of Gemtech's representatives to the Board of BSSB is still pending.

28. SUBSEQUENT EVENTS

- (i) On 4 March 2008, Berjaya Corporation Berhad ("BCorporation") announced that it has completed its acquisition from Net Edge Online Sdn. Bhd. and Mr Tong Kooi Ong of all their 35.6% equity interest in the Company comprising 82,775,518 ordinary shares of RM1.00 each at RM1.60 per share, together with 16,198,080 Warrants at 42 sen per Warrant for a total consideration of RM139,244,022.

Consequently, BCorporation became the holding and ultimate holding company of the Company.

- (ii) Subsequent to the end of the financial year, in February 2008, the Group ceased to have control over the financial and operating policies of The Edge Communications Sdn. Bhd. ("TECSB"). In accordance with FRS 128 Investment in Associates, TECSB will be classified as an investment in associated company and thus its results will be equity accounted for in the subsequent financial statements of the Group.

- (iii) During the financial year, the Company made announcements to Bursa Malaysia Securities Berhad ("Bursa Securities") that it does not comply with the public shareholding spread requirement ("PSSR") set out in paragraph 8.15(1) of Bursa Securities' Listing Requirements.

On 21 April 2008, the Company announced that Bursa Securities via a letter dated 18 April 2008 granted an extension of time up to 5 July 2008 for the Company to comply with the PSSR.

The Company is currently consulting with Tan Sri Dato' Seri Vincent Tan Chee Yioun and BCorporation Group ("Parties"), the two largest shareholders of the Company, on

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE for the year ended 31 December 2007

Transacting Company Within Nexnews Group Counterparty to the Recurrent Related Party Transactions	Nature of the Recurrent Related Party Transaction	Amount Transacted RM'000	
Gemtech (M) Sdn Bhd ("Gemtech")	Tong Motor Service	Maintenance of Gemtech's motor vehicles	27.5
Moves & Shakes Sdn Bhd ("Moves & Shakes")	Sunrise Berhad	Provision of event management services by Moves & Shakes to Sunrise	160.5
Sun Media Corporation Sdn Bhd ("SMCSB")	Berjaya Capital Berhad ("Berjaya Capital")	Placement of advertisements by Berjaya Capital in <i>theSun</i>	8.0
	Berjaya Corporation Berhad ("BCorp")	Placement of advertisements by BCorp in <i>theSun</i>	7.2
	Berjaya Land Berhad ("B-Land")	Placement of advertisements by B-Land in <i>theSun</i>	7.8
	Berjaya Sports Toto Berhad ("Berjaya Sports Toto")	Placement of advertisements by Berjaya Sports Toto in <i>theSun</i>	7.4
	Berjaya HVN Sdn Bhd ("Berjaya HVN")	Placement of advertisements by Berjaya HVN in <i>theSun</i>	31.5
	Berjaya Georgetown Hotel (Penang) Sdn Bhd ("Berjaya Georgetown")	Transport charges for delivery of <i>theSun</i> to Berjaya Georgetown	4.9
	Berjaya Hospitality Services Sdn Bhd	Transport charges for delivery of <i>theSun</i> to Berjaya Times Square Hotel	2.5
	Berjaya Group Bhd ("BGroup")	Placement of advertisements by BGroup in <i>theSun</i>	0.1
	Matrix International Berhad ("Matrix")	Placement of advertisements by Matrix in <i>theSun</i>	2.4
	MOL AccessPortal Berhad	Placement of advertisements by MOL AccessPortal in <i>theSun</i>	63.0
	Pakar Angsana Sdn Bhd	Placement of advertisements by Pakar Angsana Sdn Bhd in <i>theSun</i>	43.0
	7-Eleven Malaysia Sdn Bhd (formerly known as Convenience Shopping Sdn Bhd) ("7-Eleven")	Placement of advertisements by 7-Eleven in <i>theSun</i>	158.7
	Cosway Corporation Berhad ("Cosway")	Distribution charges by 7-Eleven	158.7
	Inter-Pacific Securities Sdn Bhd ("Inter-Pacific Securities")	Placement of advertisements by Cosway in <i>theSun</i>	3.9
	Regnis Industries (Malaysia) Sdn Bhd ("Regnis")	Placement of advertisements by Inter-Pacific Securities in <i>theSun</i>	75.3
		Rental of office premises by SMCSB and provision of security services from Regnis	417.0
	Tong Motor Service	Maintenance of SMCSB's motor vehicles	49.9
The Edge Communications Sdn Bhd ("ECSB")	Asia Analytica Sdn Bhd ("Asia Analytica")	Provision of scrip writing by Asia Analytica to ECSB	340.0
	Praxis Communications Ltd ("Praxis")	Sale of magazine subscriptions by ECSB on behalf of Praxis	0.4
		Delivery of magazines by ECSB on behalf of Praxis	2.5
	The Edge Publishing Pte Ltd ("TEP")	Production of the news magazines "The Edge Singapore" by ECSB for TEP	744.7
		Sale of Advertisements by ECSB for TEP	187.8
		Sale of Advertisements by TEP for ECSB	200.8
	Tong Motor Service	Maintenance of ECSB's motor vehicles	19.9
			2,725.4