

theSun

TELLING IT AS IT IS

ANNUAL REPORT

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SEPTEMBER, 2010

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BERJAYA
BERJAYA MEDIA BERHAD
(Company No. 290601-T)

SPEAK UP
theSun ON TUESDAY | JULY 6, 2010

Only yes-men need apply

DOWN 2 EARTH
By THOMAS FERNANDEZ

Vocal councillors are an asset, not a minus point, but if you attack the government, then it is a different story.

— Ronnie Liu, state executive councillor in charge of local councils

LETTER
Letter to the Editor

Keep ministers their toes

I REFER TO "Much ado about nothing" (July 2). The quality of ministers in an issue of considerable importance is an issue of considerable importance.

JOO WAN

Test of mettle & skill

Fifteen Berjaya University College of Hospitality students take up the challenge to serve a buffet lunch to a party of 100.

TELLING IT AS IT IS
with a revamped, refreshed and renewed look.

Music from movies & musicals
The Philharmonic Society of Selangor is performing selected pieces from such shows as Disney's Dumbo, Mamma Mia! and Andrew Lloyd Webber's Phantom of the Opera.

Torres on Kolarov
Kolarov completed his £17m (RM65m) move to Eastlands from Lazio over the weekend and, after spending the weekend in Belgrade, will return to Manchester this week to train with those City players who have not travelled on the pre-season trip to the United States.

theSun underwent a makeover to revamp, refresh and renew its look to appeal to a wider audience. The fresh new look adopts engaging headlines, shorter stories and a bolder look.

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Corporate information

BOARD OF DIRECTORS

Dato' Robin Tan Yeong Ching
- *Chairman, Non-Independent
Non-Executive Director*

Chan Kien Sing
- *Non-Independent Executive Director*

Loh Chen Peng
- *Independent Non-Executive Director*

Datuk Seri Azman Bin Ujang
- *Independent Non-Executive Director*

Datuk Zainun Aishah Binti Ahmad
- *Independent Non-Executive Director*

SECRETARIES

Su Swee Hong (MAICSA 0776729)
Gan Hui Hui (MAICSA 7022230)

AUDIT AND RISK MANAGEMENT COMMITTEE

Loh Chen Peng
Datuk Seri Azman Bin Ujang
Datuk Zainun Aishah Binti Ahmad

NOMINATING COMMITTEE

Datuk Seri Azman Bin Ujang
Loh Chen Peng
Datuk Zainun Aishah Binti Ahmad

REMUNERATION COMMITTEE

Dato' Robin Tan Yeong Ching
Loh Chen Peng

SHARE OPTION SCHEME COMMITTEE

Loh Chen Peng
Chan Kien Sing

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No.1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-2149 1999
Fax: 03-2143 1685

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 06-03 Level 6 (East Wing)
Berjaya Times Square
No.1, Jalan Imbi
55100 Kuala Lumpur
Tel: 03-21450533
Fax: 03-21459702

AUDITORS

Deloitte KassimChan
Chartered Accountants
Level 19, Uptown 1
No.1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77261833, 03-77236500
Fax: 03-77263986, 03-77268986

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Short Name: BJMEDIA
Stock Code: 6025

Profile of Directors



DATO' ROBIN TAN YEONG CHING

36 years of age, Malaysian

Chairman

Non-Independent Non-Executive Director

He was appointed to the Board as Chairman and Non-Independent Non-Executive Director on 1 April 2010. He is also the Chairman of the Remuneration Committee.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Chief Executive Officer of Berjaya Sports Toto Berhad and an Executive Director of Berjaya Corporation Berhad and Sports Toto Malaysia Sdn Bhd. He is also a Director of Berjaya Sampo Insurance Berhad, Berjaya Hills Berhad, KDE Recreation Berhad, Berjaya Golf Resort Berhad, TMC Life Sciences Berhad and the Chairman of MOL.com Berhad and Berjaya Food Berhad. He also holds several other private limited companies in the Berjaya Corporation group of companies.

His father, Tan Sri Dato' Seri Vincent Tan Chee Yioun, is a major shareholder of the company.



CHAN KIEN SING

54 years of age, Malaysian

Non-Independent Executive Director

He was appointed as an Executive Director on 26 February 2008. He is also a member of Share Option Scheme Committee.

He is a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. Having articulated with Messrs Peat Marwick Mitchell (now known as KPMG) from 1975 to 1981, he subsequently joined Arab-Malaysian Merchant Bank Berhad (now known as AmMerchant Bank Berhad) specialising in corporate finance until 1989 when he joined Berjaya Group Berhad.

Currently, he is an Executive Director of Berjaya Corporation Berhad and Berjaya Sports Toto Berhad. He is also the Managing Director of 7-Eleven Malaysia Sdn Bhd and Sun Media Corporation Sdn Bhd. He also sits on the boards of Cosway Corporation Limited (formerly known as Berjaya Holdings (HK) Limited), Berjaya Assets Berhad, Berjaya Retail Berhad, Intan Utilities Berhad, Berjaya Vacation Club Berhad, Berjaya Group Berhad, Berjaya Capital Berhad and International Lottery & Totalizator Systems, Inc. United States of America. He also holds directorships in several other private limited companies.



DATUK ZAINUN AISHAH BINTI AHMAD

64 years of age, Malaysian

Independent Non-Executive Director

She was appointed to the Board as an Independent Non-Executive Director on 22 March 2010. She is a member of the Audit and Risk Management Committee and Nominating Committee.

She graduated with a Bachelor of Economics degree from University Malaya. She began her career and worked with Malaysian Industrial Development Authority ("MIDA"), the Malaysian government's principal agency for the promotion and coordination of industrial development in the country for 35 years. In her 35 years of service, she has held various key positions in MIDA as well as in some of the country's strategic council, notably her pivotal role as the National Project Director in the formulation of the first Malaysian Industrial Master Plan. She was the Director-General of MIDA for 9 years and Deputy Director-General for 11 years. Whilst in MIDA, she also sat on various committees/authorities at national level, including being a member of the Industrial Coordination Act Advisory Council, Defence Industry Council and National Committee on Business Competitiveness Council, Malaysia Incorporated and the National Project for Majlis Penyalarsan Perindustrian ("ICC") before retiring in September 2004.

She was also a Director of Tenaga Nasional Berhad and Malayan Banking Berhad. Currently, she is a Director of Degem Berhad, Microlink Solutions Berhad, Scomi Engineering Berhad, Pernec Corporation Berhad, Shell Refining Company (Federation of Malaya) Berhad and Berjaya Food Berhad.

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.

Statement on Corporate Governance

The Board of Directors of Berjaya Media Berhad is committed and continued to comply with the principles and best practices set out in the Malaysian Code on Corporate Governance (“the Code”) to ensure that the highest standards of corporate governance are practised throughout the Group.

The statement below sets out how the Group has applied the key principles of the Code and the extent of its compliance with the best practices throughout the financial year ended 30 April 2010.

A) Directors

(i) The Board

The Group is led and managed by an experienced Board with a wide range of expertise which plays an important role in the stewardship of its direction and operations.

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. During the financial year ended 30 April 2010, the Board met five (5) times and the record of attendance of each Director is set out below:-

Directors	No. of Meetings Attended
a) Current Directors	
Dato' Robin Tan Yeong Ching (Appointed on 1 April 2010)	N/A
Chan Kien Sing	5/5
Loh Chen Peng	5/5
Datuk Seri Azman Bin Ujang	5/5
Datuk Zainun Aishah Binti Ahmad (Appointed on 22 March 2010)	1/1*
b) Directors Who Resigned During The Year	
Tan Sri Dato' Seri Vincent Tan Chee Yioun (Resigned on 1 April 2010)	2/5
Freddie Pang Hock Cheng (Resigned on 10 February 2010)	4/4*
Dato' Azlan Meah Bin Hj Ahmed Meah (Resigned on 10 February 2010)	4/4*
Mohd Zain Bin Ahmad (Resigned on 10 February 2010)	3/4*
* Reflects the attendance and the number of meetings held during the period the Director held office.	
N/A: Not applicable	

(ii) Board Composition

The Board currently has five (5) members, one (1) Executive Director and four (4) Non-Executive Directors, comprising three (3) of whom are Independent Directors. A brief profile of each Director is contained in pages 2 and 3.

The Executive and Non-Executive Directors, with their different backgrounds and experiences in the field of finance, accounting, media and business development made up a balanced and effective Board. The presence of Independent Directors provides objectivity to the Board's decisions, ensuring that all strategies proposed by the management are fully discussed and examined, and take into account the long-term interests of stakeholders, including shareholders, employees, customers, suppliers and the various communities in which the Company conducts its business.

(iii) Supply of Information

The Directors have full and timely access to information concerning the Company and the Group. The Board papers which include reports on the Group's operations, finance and corporate development are distributed to the Directors prior to Board meetings. Notices with relevant agenda are provided in sufficient time prior to Board meetings to enable the Directors to obtain further explanation or clarification, if any.

All Directors have access to the advice and services of the Company Secretary and the senior Management staff in the Group and may obtain independent professional advice at the Company's expense in furtherance of their duties.

(iv) Appointment to the Board

The Nominating Committee currently comprises the following members:-

1. Datuk Seri Azman Bin Ujang - Chairman/Independent Non-Executive
2. Loh Chen Peng - Independent Non-Executive
3. Datuk Zainun Aishah Binti Ahmad - Independent Non-Executive

The Nominating Committee is responsible amongst others, for identifying and making recommendations for any appointments and re-election of Board members or Board committee members.

(v) Directors' Training

All Directors have attended the Mandatory Accreditation Programme (“MAP”) prescribed by the Bursa Malaysia Securities Berhad. Apart from the MAP, the Directors have also attended the Continuing Education Programme (“CEP”) conducted by various course leaders. The Directors will continue to attend seminars and courses to keep themselves updated on regulatory and corporate governance developments, besides enhancing their professionalism and knowledge to effectively discharge their duties and obligations.



DATUK SERI AZMAN BIN UJANG

59 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board as an Independent Non-Executive Director on 21 July 2008. He is the Chairman of Nominating Committee and a member of the Audit and Risk Management Committee.

He began his 36 years career with Malaysian National News Agency (“BERNAMA”) as a cadet reporter in 1971 and was promoted to various editorial positions before he rose to become Editor-in-Chief in 2004. He was made the General Manager of BERNAMA in March 2007 before retiring from BERNAMA in June 2008 and subsequently appointed as the Editorial Advisor of BERNAMA until June 2009.



LOH CHEN PENG

56 years of age, Malaysian
Independent Non-Executive Director

He was appointed to the Board as an Independent Non-Executive Director on 8 January 2005. He is the Chairman of the Audit and Risk Management Committee and Share Option Scheme Committee. He is also a member of the Remuneration Committee and Nominating Committee.

He is an accountant by profession and a member of the Malaysian Institute of Certified Public Accountants (MICPA). He started his career with an international accounting firm in 1975 and gained membership to the MICPA. He then joined a merchant banking group in 1980 and for the next thirteen (13) years, held senior management positions in the areas of corporate finance and corporate banking. Thereafter, he had a short stint in a stockbroking group. In 1994, he helped establish a commercial bank and served on its Executive Committee of Directors until 2001.

He is now involved in some private ventures and is an Independent Non-Executive Director of Berjaya Retail Berhad and Dijaya Corporation Berhad.

Statement on Corporate Governance (Continued)

Details of the training programmes attended by the current Directors during the financial year ended 30 April 2010 were as follows:-

Director	Seminars / Conferences / Forum
Dato' Robin Tan Yeong Ching	- High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance - Seminar on Non-Financial Institutions - Financial Instruments: Recognition, Measurement, Presentation and Disclosure - The Launch of The Malaysia-Europe Forum (MEF) & The Inaugural MEF-European Union (EU) Kuala Lumpur Roundtable
Chan Kien Sing	- High Level Forum for Directors of Listed Issuers in Enhancing Corporate Governance - Asia Intelligence Update - Corporate Governance Guide - Towards Boardroom Excellence - Judging Instructions for Malaysia Effie Awards 2009 - Seminar on Non-Financial Institutions - Financial Instruments: Recognition, Measurement, Presentation and Disclosure - Seminar on Goods and Services Tax
Loh Chen Peng	- Corporate Governance Guide - Towards Boardroom Excellence - Seminar for Non-Financial Institutions - Financial Instruments: Recognition, Measurement, Presentation and Disclosure - The Challenges of Implementing FRS 139 - Going Forward: Risk and Reform - Implications for Audit Committee Oversight
Datuk Seri Azman Bin Ujang	- Corporate Governance Guide - Towards Boardroom Excellence - Seminar for Non-Financial Institutions - Financial Instruments: Recognition, Measurement, Presentation and Disclosure - Seminar on Goods and Services Tax
Datuk Zainun Aishah Binti Ahmad	- Bursa Malaysia's Evening Talk on Corporate Governance - Seminar on Goods and Services Tax

(vi) Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year will offer themselves for re-election by the shareholders at the Annual General Meeting ("AGM") held following their appointments.

Pursuant to Section 129(6) of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every AGM, and may offer themselves for re-appointment to hold office until the next AGM.

B) Directors' Remuneration

(i) Remuneration Committee

The Remuneration Committee currently comprises the following members:-

Dato' Robin Tan Yeong Ching - Chairman/Non-Independent Non-Executive

Loh Chen Peng - Independent Non-Executive

The primary function of the Remuneration Committee is to set up the policy framework and to make recommendations to the Board on all elements of the remuneration and other terms of employment of the executive directors.

The determination of the remuneration for the non-executive directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration package.

(ii) Details of the Directors' Remuneration

The aggregate Directors' remuneration paid or payable to the Directors in office during the financial year by the Company and the Group categorised into appropriate components for the financial year ended 30 April 2010 are as follows:

	Fees (RM)	Salaries and Other Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Executive	-	67,000	-	-	67,000
Non-Executive	72,663	5,700	-	-	78,363
Total	72,663	72,700	-	-	145,363

The number of Directors of the Company who served during the financial year and whose total remuneration from the Group falling within the respective bands are as follows:-

Range of Remuneration (RM)	Executive Director(s) (RM)	Non-Executive Director(s) (RM)
1 - 50,000	-	4*
50,001 - 100,000	1	-

* Inclusive of one (1) Director who had resigned during the financial year.

C) Relations With Shareholders And Investors

The Board recognises the importance to keep the shareholders well informed of all major developments in the Company on a timely basis. The Corporate Communications division of Berjaya Corporation Berhad plays an active role in assisting the Company with regards to maintaining the Company's relations with its shareholders and investors, among others.

The various disclosures and announcements made to Bursa Securities, inter alia the quarterly and annual results, and corporate developments facilitate the dissemination of information to the shareholders and investors. The Company also maintains a website at www.berjaya.com where shareholders as well as members of the public can access for the latest information on the Company.

The Company provides a platform for dialogue and interaction with all shareholders through its AGM. At each AGM, the Board presents the progress and performance of the Group's businesses and encourages shareholders to participate through a question and answer session. The Directors and external auditors of the Company are available to respond to shareholders' queries during the AGM.

D) Accountability And Audit

(i) Financial Reporting

The Directors are responsible for ensuring that the financial statements prepared are drawn up in accordance with the provisions of the Companies Act, 1965, and applicable financial reporting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly financial results and audited financial statements were reviewed by the Audit and Risk Management Committee and approved by the Board before they are released to Bursa Securities. The details of the Company and Group's financial statements for the financial year ended 30 April 2010 are disclosed on pages 14 to 28.

(ii) Directors' Responsibility Statement In Respect Of Financial Statements

The Directors are required to prepare the financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cashflows for that financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 30 April 2010, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable financial reporting standards have been followed and confirm that the financial statements have been prepared on a going-concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965, and the applicable financial reporting standards in Malaysia.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(iii) Internal Control

The Board of Directors has overall responsibility for maintaining a system of internal control, which provides reasonable assessments of effective and efficient operations, internal controls and compliance with laws and regulations.

(iv) Relationship With Auditors

Through the Audit and Risk Management Committee, the Company has established a transparent and appropriate relationship with auditors, both internal and external. From time to time, the auditors highlighted to the Audit and Risk Management Committee and Board on matters that require the Board's attention.

E) Compliance With The Code

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code during the financial year ended 30 April 2010.



Compact. Concise. Complete.

First-read-of-the-day theSun is urban Malaysia's most popular English language newspaper.

A weekday newspaper, theSun delivers a complete mix of news, analyses and commentaries in a concise and easy-to-read format that appeals to the young and mobile, busy, time-starved urban adult.

Urban readers of theSun are well-educated, successful professionals with high purchasing power. They are a discerning community with a sophisticated cosmopolitan world-view and demand straightforward journalism. Our straight-talking "TELLING IT AS IT IS" columnists are especially popular with this readership segment.

With 300,000 copies every weekday, theSun is Malaysia's No.1 English language urban newspaper. It is significantly No.1 in the 3 richest market centres of Penang, Kuala Lumpur/Petaling Jaya (Klang Valley) and Johor Baru.

A most powerful communication platform.

Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of Berjaya Media Berhad for the financial year ended 30 April 2010.

FINANCIAL PERFORMANCE

For the financial year ended 30 April 2010, the Group registered a consolidated revenue of RM47.23 million. The Group would have registered a pre-tax profit of RM1.07 million which was substantially contributed by its principal subsidiary, Sun Media Corporation Sdn Bhd ("Sun Media"), if not for the impairment in value of intangible asset (publishing rights) amounting to RM5.71 million. This resulted in a pre-tax loss of RM4.64 million for the year under review.

DIVIDEND

The Board does not recommend the payment of dividends for the financial year ended 30 April 2010.

CORPORATE DEVELOPMENT

On 10 February 2010, our major shareholder, Berjaya Corporation Berhad ("BCorporation"), had completed the distribution of dividend-in-specie of ordinary shares of RM0.80 each in BMedia ("BMedia Shares") to the shareholders of BCorporation, on the basis of 25 BMedia shares for every 1,000 ordinary shares of RM1.00 each held in BCorporation.

Following the completion of this distribution-in-specie, BMedia's public shareholding spread had increased from 11.56% as at 3 September 2009 to 31.01% as at 18 March 2010. Accordingly, the Company has now complied with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

REVIEW OF OPERATIONS

Sun Media Corporation Sdn Bhd

For the financial year under review, Sun Media registered a revenue of RM47.2 million and pre-tax profit of RM1.3 million.

The advertisement rate increase came into gradual effect starting from January 2009. Despite some cutback by advertisers, theSun enjoyed a strong growth in page yields generating better value for the newspaper.

January 2010 marked a milestone for theSun when it adopted a new pre-press digital technology, computer-to-plate (CtP) system whereby digitized images are transferred directly onto the printing plates bypassing the conventional process which used analogue or computer-to-film (CtF) technology. The advantage of CtP is that it shortens the entire workflow process resulting in time savings, less equipment and material usage, reduction of manpower as well as production cost. The complete elimination of manual intervention by using computer processes meant more accuracy in colour registration and ultimately, overall better quality print reproductions. The full transformation of the pre-press to digital system is expected to positively impact theSun's advertising business and propel the company to the next level.

theSun continues to maintain its lead position with a distribution of 300,000 copies, reaching state capitals and other major urban centres in Peninsular Malaysia and improve its branding as the No. 1 urban English newspaper in Malaysia by focusing on news,

comments and reports targeted at our urban readership. The newspaper provides a mix of the latest news and current affairs, representing a balance of politics, business, lifestyle and entertainment and sports.

In early May 2010, theSun underwent a makeover to revamp its look to appeal to a wider audience and to improve on the last redesign in 2006. The new look better reflects the original aim of engaging headlines, shorter stories and bolder look. The most striking change was theSun's masthead on the front page which has been moved from the centre to the left to create new and innovative advertising possibilities. Changes were also made to the body text making it more readable and headlines have been made bolder. Other sections that have undergone a redesign include the back page and inside page straplines, amongst others.

The main attraction of the newspaper, the special investigating desk, continues to lead by filing exclusive reports. The award-winning duo, R Nadeswaran and Terence Fernandez, remain unflinching in their thrust to underscore the importance of good governance. They have also turned over information unearthed in the course of their investigative work to the authorities to probe further. The special reporting team's contributions have received acclamation from readers, publication societies and advertisers.

Another feather in the cap for theSun was winning the Tan Sri Samad Idris Trophy for entertainment journalism presented by the National Film Development Corporation Malaysia (Finas) in June 2010. theSun's lifestyle and entertainment writer, Bissme S, bagged the top prize in the English category for the second time, having grabbed the inaugural award in 2000.

Over and above the regular offerings to readers, theSun published a special 16-page morning edition during the recently concluded World Cup 2010 season which kept the readers updated with the latest news, views and well-selected photographs of the month-long tournament.

theSun continuously strives to bring out the best for our readers with our pool of influential writers whose opinions and insights are something that readers look forward to as well as other special features that cater to readers from all walks of life.

FUTURE OUTLOOK AND PROSPECTS

Rapidly changing market conditions have been very challenging for theSun's advertisement business growth as many advertisers seek out cheaper media options as part of their cost-cutting measures. As the Malaysian economy is still in the recovery phase, many companies remain very cautious in spending on advertisements.

Nevertheless, the company is taking concerted efforts to aggressively promote its advertisement space and boost sales in an effort to increase its market share of advertisement revenue. The company is also actively building relationships with existing and potential

advertisers as well as designing relevant and effective print and creating digital marketing solutions that support advertisers' urban advertising objectives.

Plans are in the pipeline to upgrade the company's press equipment in order to remain competitive to produce higher print runs and better quality prints to meet its advertisers' demands.

The impact of the digital technology has progressively increased as digital transformation continues to expand and escalate. Advertisers have started embracing new media experiences which augurs well for theSun as this provides an opportunity for us to drive our online website via www.sun2surf.com.

In an effort to remain competitive digitally, we have started updating our website throughout the day on a daily basis. Plans are also afoot to revamp the website to give it a new look as well as to improve on the navigation. New contents will be

added making the site more engaging, interactive and appealing. A new team consisting of a full-time designer, web editor and deputy editor have been recruited to maintain the website as well as to continue creating innovative ideas.

In addition, two new sections, Urban Living and Digital Lifestyle, will be introduced in months to come to cater to theSun's urban readership demands. A supplements editor with more than 20 years of experience in journalism and public relations has been brought in to specifically focus on generating editorial sections to add new sources of revenue and expand opportunities for advertisers.

Notwithstanding the persisting changes in the economic condition and barring any unforeseen circumstances, the Board is optimistic that the Group will remain competitive as it continues to come up with various innovative and aggressive marketing and promotion efforts to increase its market share of advertising revenue and widening its readership via better circulation channels.

ACKNOWLEDGEMENTS

Tan Sri Dato' Seri Vincent Tan has resigned as the Chairman of the Company during the financial year ended 30 April 2010. Mr Freddie Pang, Encik Mohd Zain Bin Ahmad and Dato' Azlan Meah Bin Hj Ahmad Meah have also resigned as Non-Executive Directors of the Company during the financial year ended 30 April 2010. I would like to express our thanks and sincere appreciation to them for their guidance and past contributions and support.

I would like to welcome Datuk Zainun Aishah Binti Ahmad who joined the Board as Non-Executive Director on 22 March 2010.

I would also like to thank the relevant authorities, business associates, advertisers and advertising agencies for their continued support.

To the management and staff, we appreciate them for their dedication, hard work and commitment and to our shareholders, I thank you for the confidence and support and look forward to your continued support and cooperation in the future.

DATO' ROBIN TAN YEONG CHING
Chairman

28 July 2010



4 AWARDS in 3 YEARS FOR EDITORIAL EXCELLENCE

2010

Finas top prize for Entertainment Writing (English medium)

Tan Sri Samad Idris Challenge Trophy



2009

Honourable Mention for Investigative Reporting



Excellence in Public Service Journalism

2008



Excellence in Opinion Writing

Statement on Internal Control

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements require directors of listed companies to include a statement in annual reports on the state of their internal controls. The Bursa Securities' Statement on Internal Control: Guidance for Directors of Public Listed Companies ("Guidance") provides guidance for compliance with these requirements. The Board's Internal Control Statement, which has been prepared in accordance with the Guidance, is set out below.

Responsibility

The Board of Directors recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system could provide only reasonable, and not absolute assurance, against material misstatement or loss.

The Group had in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is regularly reviewed by the Board, which dedicates time for discussion on this subject.

Risk Management Framework

The Board has established an organisation structure with clearly defined lines of accountability and delegated authority. It has extended the responsibilities of the Audit and Risk Management Committee to include the work of monitoring all internal controls and risk management. Its review covers matters such as responses to significant risks identified, output from the monitoring process and changes made to the internal control systems.

Other Key Elements of Internal Control

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

- Clearly defined delegation of responsibilities to committees of the Board and to management of Head Office and operating units, including authorisation level for all aspects of the business which are set out in an authority matrix;
- Regular and comprehensive information provided to management, covering financial performance and key business indicators, such as cashflow performance;
- An internal audit function which assesses the effectiveness of the internal control system and highlights significant risks affecting the Group; and
- Regular visits to operating units by senior management.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

Audit and Risk Management Committee Report

The Board of Directors of Berjaya Media Berhad is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 April 2010.

Members and Meetings Attendances

The members of the Audit and Risk Management Committee are as follows:-

Loh Chen Peng - *Chairman/Independent Non-Executive Director*

Datuk Seri Azman Bin Ujang - *Independent Non-Executive Director*

Datuk Zainun Aishah Binti Ahmad - *Independent Non-Executive Director*

The Audit and Risk Management Committee held six (6) meetings during the financial year ended 30 April 2010.

The details of attendance of the Audit and Risk Management Committee members are as follows:-

Name	Attendance
Loh Chen Peng	6/6
Datuk Seri Azman Bin Ujang	6/6
Datuk Zainun Aishah Binti Ahmad (Appointed on 22 March 2010)	1/1*
Freddie Pang Hock Cheng (Resigned on 10 February 2010)	5/5*
Tan Sri Dato' Seri Vincent Tan Chee Yioun (Appointed on 10 February 2010 and Resigned on 22 March 2010)	N/A

* Reflects the attendance and the number of meetings held during the period the Audit and Risk Management Committee member held office.
N/A: Not Applicable.

The General Manager of Internal Audit and the Head of Group Accounts and Budgets of Berjaya Corporation Berhad were also invited to attend the Audit and Risk Management Committee meetings. The external auditors were also invited to attend five of these meetings. The Committee also met with the external auditors without the presence of Executive Directors and Management.

Summary Of Activities Of The Audit And Risk Management Committee During The Financial Year Ended 30 April 2010

The activities were as follows:-

- reviewed the internal audit reports presented and considered the findings of internal audit in the Group's operating subsidiaries through the review of internal audit reports tabled and management responses thereof;
- reviewed the external auditors' scope of work and audit plan for the year;
- reviewed the risk management reports of operating subsidiary;
- reviewed the unaudited quarterly financial statements and the year end financial statements of the Company and the Group and recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities have been complied with. Any significant issues resulting from the audit of the financial statements by the external auditors were noted;
- reviewed the Internal Audit Plan for year 2010;
- reviewed the related party transactions and the circular to shareholders in connection with the recurrent related party transactions.

Summary Of Activities Of The Internal Audit Function

The Company does not have its own in-house Internal Audit function. The internal audit function was outsourced to the internal auditors of Berjaya Corporation Berhad, to assist the Audit and Risk Management Committee in discharging its duties and responsibilities. Their role is to provide the Committee with independent and objective reports on the state of internal controls of the operating units within the Group and the extent of compliance by such units with the Group's established policies and procedures.

For the financial year ended 30 April 2010, four audit reports were tabled at the Audit and Risk Management Committee Meetings by the Internal Audit Division. The audits were conducted on operating units of the Group involved in publication, printing and distribution of daily and weekly newspapers.

Internal Audit reports, incorporating audit recommendations and management's responses with regards to audit findings on weaknesses in the systems and controls of the respective operations audited were issued to Audit and Risk Management Committee and the management of the respective operations. The Internal Audit also followed up with management on the implementation of the agreed audit recommendations.

The estimated cost for the Internal Audit function in respect of the financial year ended 30 April 2010 is approximately RM 77,600.

Terms Of Reference Of The Audit And Risk Management Committee

1. MEMBERSHIP

The Audit and Risk Management Committee (“the Committee”) shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and all the Committee must be non executive directors, with majority of them being independent directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Bursa Malaysia Securities Berhad (“Bursa Securities”)

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the board of directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. QUORUM

A quorum for the Committee shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. SECRETARY

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group’s finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

7. DUTIES

The duties of the Committee shall be:

- (a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors;
- (b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;

(c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:

- going concern assumption
- compliance with applicable financial reporting standards and regulatory requirements
- any changes in accounting policies and practices
- significant issues arising from the audit
- major judgemental areas

(d) To prepare Audit and Risk Management Committee Report at the end of each financial year;

(e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors’ management letter and management’s response;

(g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To do the following in relation to internal audit function:-

- review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programme;
- ensure coordination of external audit with internal audit;
- consider the major findings of internal audit investigations and management’s response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of the staff of the internal audit function;
- approve any appointment or termination of senior staff member of the internal audit function;
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason for resignation;
- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.16 of the Main Market Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.

(k) To undertake the following risk management activities:

Establishing Strategic Context – Ensuring that the strategic context of the risk management strategy is complete and takes into account the environment within which the Group operates and the requirements of all stakeholders and the Board.

Establishing Risk Management Processes

– Determining the overall risk management processes that should be adopted by the business units and developing appropriate guidelines and policies for implementation.

Establishing Risk Management Structure – Ensuring a short and long term risk management strategy, framework and methodology have been implemented and consistently applied by all business units.

Embedding Risk Management Capability – Ensuring risk management processes are integrated into all core business processes and that the culture of the organisation reflects the risk consciousness of the Board.

Establishing Reporting Mechanism – Providing a consolidated risk and assurance report to the Board and Audit Committee to support the statement relating to internal control in the company’s annual report.

Integrating & coordinating assurance activity – Ensuring alignment and coordination of assurance activity across the organisation.

Establishing Business Benefits – Identifying opportunities to release potential business benefits through the enhancement of risk management capabilities within the Group.

Establishing Effectiveness of Risk Management Processes – Simplifying and improving the effectiveness of existing risk management structures.

Managing the Group Wide Risk Management Programme – Supporting the implementation of the risk management processes within the business. The Committee will act as steering committee for the Group Wide Risk Management Programme (GWRM).

OTHER INFORMATION

1. Sanctions and/or Penalties

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by any regulatory bodies.

2. Non-audit fees

There was no non-audit fees paid to the external auditors by the Group for the financial year ended 30 April 2010.

3. Material Contracts

Other than those disclosed in the financial statements, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors’ and major shareholders’ interests.

4. Revaluation Policy on Landed Properties

The Company does not own any landed properties as at 30 April 2010.

Promotions & Supplements / Corporate Social Responsibility

theSun-Nickelodeon – The Ultimate School Holiday Celebration

theSun jointly celebrated with Nickelodeon at i-Utama during the school holidays. Besides participating in games and various stage activities, theSun readers and spectators were treated to a “meet & greet session” with Nickelodeon favourites such as Dora the Explorer, Ni Hao & Kai-Lan, Happy Goat and Wolfy from Pleasant Goat and Big Big Wolf.



theSun-Hallmark Channel – The Biggest Loser Asia, Season 1

Asia's first “Biggest Loser” challenge saw 16 contestants under-going life changing habits and making crucial decisions to bring about massive weight-loss which resulted deserving wins all around. The 6-month intensive challenge saw a sharp rise in readership as this promotion drew in a large following. theSun was the official newspaper for this event.



ABOVE: The winner, David Gurnani, dropped 81kg to take home US\$100,000 Top Prize in The Biggest Loser Asia.
RIGHT: Trainers with one of the contestants.

theSun's Community Campaign



Red Means Stop

This Corporate Social Responsibility programme was a joint collaboration between theSun and Road Safety Department (JKJR). Besides giving out 300,000 stickers, this campaign served as a constant reminder to road users, highlighting to them the dangers of beating the traffic light in any occasion. This timely promotion is part of the Government's effort to implement the Automated Enforcement System (AES) targeted to launch sometime this year.



Supplements

Going a little further for our readers

Glow (1st Thursday every month): Featuring health, beauty, fashion and trends. This supplement gives us an insight on how to have a balanced lifestyle, encompassing body, mind and soul issues.

U! (3rd Tuesday every month): Where the young have their say. Topics take on what matters most to the young today - music, video games to lifestyle experiences.

Education Focus (1st Tuesday every month): This supplement highlights the span of education choices we have these days. Gone are the days where education is confined to academic classrooms. Our scope for education is ever-increasing with this Supplement.

Gourmet Guide (Every Thursday): Highlights our dining-out habit where one can savour various food and drinks from familiar to the exquisite, both local and international cuisine.

PostGrad (4th Tuesday every month): This features the choices Postgraduates can take to make that crucial step to career success. This supplement features numerous "pathways" to fulfilling their dream jobs.

theSun's Management Team

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| <p>Chan Kien Sing - Managing Director</p> <p>EDITORIAL</p> <p>Chong Cheng Hai - Managing Editor</p> <p>Zainon Ahmad - Consultant Editor cum Political Editor</p> <p>Lee Boon Siew - Executive Editor, News</p> <p>Patrick Choo Voon Sin - Deputy Editor, Production</p> <p>Freddie Ng - Deputy Editor, News</p> <p>R Nadeswaran - Editor, Special & Investigative Reporting</p> <p>Terence Fernandez - Deputy Editor, Special & Investigative Reporting</p> <p>Sebastian Lim - Editor, Entertainment & Lifestyle</p> <p>Peter Yap - Editor, Fashion & Beauty</p> <p>Navjeet Singh - Editor, Sports Desk</p> | <p>AD MARKETING DEPARTMENT</p> <p>Charles Peters - General Manager, Advertising & Marketing</p> <p>Anafiah Omar - Senior Manager</p> <p>Caryn Tan - Senior Manager</p> <p>Joel Miranda - Senior Manager</p> <p>Julian Oh - Senior Manager</p> <p>Lillie See - Senior Manager</p> <p>Russell Teo - Senior Manager</p> <p>Sureshkumar Sathurukkan - Senior Manager</p> <p>Eveline Hooi - Projects & Product Development Manager</p> <p>Thomas Kang - Senior Manager, Production</p> <p>Joehari Abdul Jabbar - Senior Manager, Distribution</p> <p>Ricky Ng Yooi Meng - Financial Controller</p> <p>Noor Azilah Sabar - Manager, Human Resources & Administration</p> <p>Saseetharan Gopal - Manager, IT</p> | |
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