



## STAR PUBLICATIONS (MALAYSIA) BERHAD

Company no. 10894-D  
(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

#### Unaudited Condensed Consolidated Income Statements

	3 months ended		Financial period ended	
	31.03.2007 RM'000	31.03.2006 RM'000	31.03.2007 RM'000	31.03.2006 RM'000
<b>Revenue</b>	<b>184,575</b>	<b>168,768</b>	<b>184,575</b>	<b>168,768</b>
Operating expenses	(141,663)	(133,647)	(141,663)	(133,647)
Other operating income	7,124	7,242	7,124	7,242
<b>Profit from operations</b>	<b>50,036</b>	<b>42,363</b>	<b>50,036</b>	<b>42,363</b>
Finance cost	(3,440)	(3,440)	(3,440)	(3,440)
<b>Profit before taxation</b>	<b>46,596</b>	<b>38,923</b>	<b>46,596</b>	<b>38,923</b>
Taxation	(12,146)	(7,304)	(12,146)	(7,304)
Profit after taxation	34,450	31,619	34,450	31,619
Less: Minority interests	-	-	-	-
<b>Net profit for the period</b>	<b>34,450</b>	<b>31,619</b>	<b>34,450</b>	<b>31,619</b>
<b>Attributable to:</b>				
Equity holders of the parent company	<b>34,450</b>	<b>31,619</b>	<b>34,450</b>	<b>31,619</b>
<b>Basic earnings per ordinary share (sen)</b>	<b>4.66</b>	<b>4.42</b>	<b>4.66</b>	<b>4.42</b>
<b>Diluted earnings per ordinary share (sen)</b>	<b>4.66</b>	<b>4.42</b>	<b>4.66</b>	<b>4.42</b>

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial statement for the year ended 31<sup>st</sup> December 2006)

Notes on Operating Expenses:

Included in the Operating Expenses is depreciation expenses of: -

(10,670)	(11,798)	(10,670)	(11,798)
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**Unaudited Condensed Consolidated Balance Sheet  
As at 31 March 2007**

	31 March 2007 RM'000	31 December 2006 RM'000
<b>Non-Current assets</b>		
Property, plant and equipment	654,009	662,226
Investment properties	6,206	6,284
Leasehold land	44,488	44,642
Intangible assets	28,722	30,820
	<b>733,425</b>	<b>743,972</b>
<b>Current assets</b>		
Inventories	200,139	199,817
Investment in bonds	-	21,000
Other investment	14	9
Trade receivables	92,573	100,280
Other receivables, deposits and prepayments	13,430	9,536
Tax recoverable	598	598
Short term deposits	541,436	489,639
Cash and bank balances	36,998	34,060
	<b>885,188</b>	<b>854,939</b>
<b>TOTAL ASSETS</b>	<b>1,618,613</b>	<b>1,598,911</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent company</b>		
Share capital	738,564	738,564
Reserves	402,907	427,461
	<b>1,141,471</b>	<b>1,166,025</b>
<b>Non-current liabilities</b>		
Medium Term Notes	250,000	250,000
Retirement benefits	5,736	5,484
Deferred tax liabilities	74,142	71,372
	<b>329,878</b>	<b>326,856</b>
<b>Current liabilities</b>		
Trade payables	6,363	16,012
Other payables, accruals and provisions	59,053	73,196
Dividend payable	58,900	-
Taxation	22,948	16,822
	<b>147,264</b>	<b>106,030</b>
<b>Total Liabilities</b>	<b>477,142</b>	<b>432,886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,618,613</b>	<b>1,598,911</b>
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>	<b>1.55</b>	<b>1.58</b>

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statement for the year ended 31<sup>st</sup> December 2006)

## Unaudited Condensed Consolidated Statements of Changes in Equity For the period ended 31 March 2007

----- Attributable to equity holders of the Parent Company -----

	Non-distributable Reserves			Distributable Reserves	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign exchange fluctuation reserve RM'000	Retained Profits RM'000	
<b>Balance as at 1 January 2007</b>	<b>738,564</b>	-	<b>14,211</b>	<b>413,250</b>	<b>1,166,025</b>
Currency translation differences	-	-	(104)	-	(104)
Net gains and losses not recognised in the income statements	-	-	(104)	-	(104)
Net profit for the financial period	-	-	-	34,450	34,450
Dividend <i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2006, paid on 18 April 2007</i>	-	-	-	(58,900)	(58,900)
Issue of shares	-	-	-	-	-
<b>Balance as at 31 March 2007</b>	<b>738,564</b>	-	<b>14,107</b>	<b>388,800</b>	<b>1,141,471</b>
<b>Balance as at 1 January 2006</b>	<b>368,433</b>	<b>301,522</b>	<b>14,680</b>	<b>433,853</b>	<b>1,118,488</b>
Currency translation differences	-	-	(3,900)	-	(3,900)
Net gains and losses not recognised in the income statements	-	-	(3,900)	-	(3,900)
Net profit for the financial period	-	-	-	31,619	31,619
Dividend <i>Second interim Dividend and Special Dividend for the financial year ended 31 December 2005, paid on 18 April 2006</i>	-	-	-	(58,347)	(58,347)
Issue of shares	849	2,762	-	-	3,611
<b>Balance as at 31 March 2006</b>	<b>369,282</b>	<b>304,284</b>	<b>10,780</b>	<b>407,125</b>	<b>1,091,471</b>

(The unaudited Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Annual Financial Statement for the year ended 31<sup>st</sup> December 2006)

**Unaudited Condensed Consolidated Cash Flow Statement  
For the period ended 31 March 2007**

	31 Mar 2007 RM'000	31 Mar 2006 RM'000
<b>Profit before taxation</b>	46,596	38,923
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	13,617	11,999
Non-operating items	(1,303)	(810)
<b>Operating profit before working capital changes</b>	<b>58,910</b>	<b>50,112</b>
<b>Changes in working capital</b>		
Net change in current assets	6,785	16,831
Net change in current liabilities	(24,157)	(18,867)
	(17,372)	(2,036)
<b>Cash generated from operations</b>	<b>41,538</b>	<b>48,076</b>
Tax paid	(3,555)	(2,550)
<b>Net cash from operating activities</b>	<b>37,983</b>	<b>45,526</b>
<b>Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	6	327
Purchases of property, plant and equipment	(2,226)	(14,433)
Proceeds from bonds	21,000	-
Interest received	4,743	4,250
<b>Net cash from / (used in) investing activities</b>	<b>23,523</b>	<b>(9,856)</b>
<b>Financing Activities</b>		
Issue of shares	-	3,611
Interest paid	(6,975)	(6,975)
Dividend paid	-	-
<b>Net cash used in financing activities</b>	<b>(6,975)</b>	<b>(3,364)</b>
Exchange differences	282	822
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>54,813</b>	<b>33,128</b>
Cash & Cash Equivalents at beginning of year	523,699	416,346
Effect of change in exchange rate	(78)	(2,268)
<b>As restated</b>	<b>523,621</b>	<b>414,078</b>
<b>Cash &amp; Cash Equivalents at end of the period</b>	<b>578,434</b>	<b>447,206</b>

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> December 2006).

## Notes to the interim financial report

### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2006, except that the Group has adopted the new/revised standards mandatory for annual periods beginning on or after 1 January 2007, as follows:

FRS 117	Leases
FRS 119 <sub>2004</sub> (Revised)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have any significant financial impact on the Group except for the following:

(a) FRS 117 Leases

Prior to 1 January 2007, leasehold land and buildings held for own use were classified as property, plant and equipment and were stated at cost less accumulated depreciation and impairment loss (if any). The adoption of the revised FRS 117 Leases in 2007 has resulted in a change in the accounting policy relating to the classification of leasehold land and buildings.

Under FRS 117, leasehold land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and buildings elements of leasehold land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as an operating lease and the payment made on entering into it represents prepaid lease payments. Leasehold land held for own use is disclosed as a separate line item in the Balance Sheet under Non-Current Assets with effect from 1 January 2007 and to be accounted for retrospectively. The costs of leasehold land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values. The leasehold land portion is amortised on a straight-line basis over the remaining lease term.

**Notes to the interim financial report**

**A1. Basis of Preparation**

(a) FRS 117 Leases (continued)

The Group has applied the change in accounting policy in respect of leasehold land held for own use in accordance with the transitional provisions of FRS 117. There is no impact on the income statements as the prepaid lease payments continue to be amortised on a straight line basis over the lease term.

Leasehold buildings held for own use remains classified under Property, Plant and Equipment as they are finance leases. The leasehold buildings continue to be depreciated on a straight line basis, in accordance with the requirements of FRS 116 Property, Plant and Equipment.

As a result of the adoption of FRS 117, comparative amounts as at 31 December 2006 have been reclassified as follows:-

	As previously reported RM'000	Effects of reclassification RM'000	As Restated RM'000
Property, plant and equipment	706,868	(44,642)	662,226
Leasehold land (shown under Non-Current Assets)	-	44,642	44,642

(b) FRS 124 Related Party Disclosures

This standard affects the identification of related parties, and resulted in additional related party disclosures presented in the financial statements.

(c) FRS 119<sub>2004</sub> (Revised) Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

This standard is not applicable to the group and hence no further disclosure is warranted.

The Group has not applied the new standard, FRS 139 Financial Instruments: Recognition and Measurement, as the effective date has yet to be determined by MASB.

## Notes to the interim financial report

### **A2. Annual Report of the Group's Preceding Annual Financial Statements**

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2006 was not qualified.

### **A3. Seasonal or cyclical factors**

Our business operations are generally affected by the major festive seasons.

### **A4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2007.

### **A5. Changes in estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

### **A6. Debt and equity securities**

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 March 2007.

**Notes to the interim financial report**

**A7. Dividend paid**

No dividend was paid in the current financial period ended 31 March 2007.

**A8. Segment Reporting**

No segmental reporting has been prepared as the Group's activities are predominantly in the publication, printing and distribution of newspaper and magazines within Malaysia.

**A9. Property, plant and equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

Acquisition and disposals of property, plant and equipment

	Current Quarter RM'000	Current Year To Date RM'000
Additions	2,226	2,226
Disposals	3	3

**A10. Events subsequent to the balance sheet date**

There are no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.



**Notes to the interim financial report**

**A11. Changes in composition of the Group**

There were no changes in the composition of the Group during the current financial period ended 31 March 2007.

**A12. Changes in contingent liabilities**

There are no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date to the date of this announcement.

**A13. Capital commitments**

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	12,347
- not contracted	1,588
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	13,935
	=====

**Additional information required by Bursa Malaysia Securities Listing Requirements**

**B1. Review of performance**

	Current Year Quarter 31.03.2007 RM'000	Preceding Year Corresponding Quarter 31.03.2006 RM'000
Revenue	184,575	168,768
Consolidated Profit before taxation	46,596	38,923
Consolidated Profit after taxation	34,450	31,619

The increase in profit before tax for the current quarter was mainly due to higher revenue partially offset by increase in operating expenses.

In the opinion of the Directors, the results for the financial period under review have not been affected by any transaction or event of an unusual nature.

**B2. Variation of results against preceding quarter**

	Current Quarter 31.03.2007 RM'000	Preceding Quarter 31.12.2006 RM'000
Revenue	184,575	184,334
Consolidated Profit before taxation	46,596	42,960

The higher profit before tax for the current quarter was mainly due to lower direct costs and operating expenses incurred.

**B3. Current year prospects**

The country's improving economic fundamentals, sustained global growth and resilient domestic demand together with the boost from tourism-related activities are expected to impact positively on adex growth.

Barring unforeseen circumstances, the Board of Directors is optimistic of achieving another satisfactory performance for the financial year ending 31 December 2007.

**Additional information required by Bursa Malaysia Securities Listing Requirements****B4. Profit forecast**

The Group has not provided any profit forecast in a public document.

**B5. Taxation**

Taxation comprises the following: -

	3 months ended		Financial period ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	8,932	3,222	8,932	3,222
2. Foreign taxation	444	5	444	5
3. Deferred taxation	2,770	4,077	2,770	4,077
	12,146	7,304	12,146	7,304

The effective tax rate on the Group's profit for 2007 is approaching the statutory tax rate as the remaining balance of reinvestment allowances available will be utilised in full this year.

The effective tax rate on the Group's profit for 2006 was much lower than the statutory tax rate due to the higher utilisation of reinvestment allowances available.

**B6. Unquoted investments and properties**

There were no sales of unquoted investments and properties for the financial period to date.

**Additional information required by Bursa Malaysia Securities Listing Requirements****B7. Quoted investments**

- (a) There were no purchases or disposal of quoted securities for the financial period to date.
- (b) Investments in quoted securities as at 31 March 2007:

		RM'000
(i)	At cost	: 23
(ii)	At book value	: 14
(iii)	At Market value	: 14

**B8. Status of corporate proposal announced**

There were no corporate proposals announced but not completed as at the date of this report.

**B9. Borrowing and debt securities**

The Group borrowings and debt securities as at the end of the first quarter are as follows:

	As at 31.03.2007 RM'000	As at 31.03.2006 RM'000
<b><u>Long Term Borrowings</u></b>		
<b><u>Unsecured</u></b>		
<u>Domestic – Ringgit Malaysia</u>		
5-year Medium Term Notes 2005/2010 with a coupon rate of 5.50% per annum, maturing on 26 February 2010	150,000	150,000
<u>Domestic – Ringgit Malaysia</u>		
5-year Medium Term Notes 2005/2010 with a coupon rate of 5.70% per annum, maturing on 27 August 2010	100,000	100,000

**Additional information required by Bursa Malaysia Securities Listing Requirements**

**B10. Off balance sheet financial instruments**

During the financial period under review, the Company has unwound all the outstanding interest rate swap contracts.

As at the date of this announcement, there is no outstanding foreign currency contract to hedge its committed purchases in foreign currencies.

**B11. Changes in material litigation**

There are several libel suits which involve claims against the Company and a subsidiary company of which the outcome and probable compensation, if any, is currently indeterminable.

**B12. Dividend**

No interim dividend has been recommended for the current quarter under review (Quarter 1 2006: Nil).

In respect of the financial year ended 31 December 2006, the Board of Directors declared a second interim dividend of 7.5 sen per ordinary share less tax \* and a special tax exempt dividend of 2.5 sen per ordinary share \*, which was paid on 18 April 2007 (2005: Second interim dividend of 15.0 sen per ordinary share, less tax and a special tax exempt dividend of 5.0 sen per ordinary share).

\* after the bonus issue of one (1) new ordinary share for every one (1) existing ordinary share held as at 30 June 2006.

**Additional information required by Bursa Malaysia Securities Listing Requirements****B13. Basic earnings per share**

The basic earnings per share for the current quarter has been calculated based on the Group's profit after taxation divided by the weighted average number of ordinary shares outstanding during the financial period. The weighted average number of shares outstanding for the previous corresponding quarter has been adjusted retrospectively to take into account the effect of the bonus issue.

	3 months ended		Financial period ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Group's profit after taxation (RM'000)	34,450	31,619	34,450	31,619
Weighted average number of ordinary shares outstanding ('000)	738,564	715,768	738,564	715,768
<b>Basic earnings per share (sen)</b>	<b>4.66</b>	<b>4.42</b>	<b>4.66</b>	<b>4.42</b>

**Diluted earnings per share**

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

By Order of the Board

Koh Beng Huat  
Ong Wei Lymn

Secretaries  
17 May 2007  
Petaling Jaya, Selangor Darul Ehsan