

**GOING
BEYOND**

N E X T



WHAT'S NEXT?

A QUESTION WE ASK OURSELVES EACH TIME WE TAKE A STEP FORWARD AND REALISE ANOTHER ACHIEVEMENT. ANOTHER FEATHER IN OUR CAP.

EVER WILLING TO GO BEYOND, WE NEVER REST ON OUR LAURELS, PLACING OUR CUSTOMERS AT THE HEART OF EVERYTHING WE DO. CONSTANTLY LOOKING TO DELIVER SOMETHING NEW AND EXTRAORDINARY.

TIME AND AGAIN, WE WILL CONTINUE TO INNOVATE AND PROVIDE MEMORABLE EXPERIENCES, FIRMLY COMMITTED TO OUR GOAL OF BEING THE LEADING MEDIA GROUP ACROSS THE REGION.

E

INFORM

COMMITTED TO PROVIDE TRUSTED, CREDIBLE
AND RELEVANT CONTENT FOR OUR AUDIENCE
OF 20 MILLION ACROSS ASEAN.



#STAND
#TOGETHER

KINDNESS CONCERT

A MUSICAL RALLY FOR LOVE
& KINDNESS IN MALAYSIA.

INSPIRE

RESOLUTE IN OUR MISSION TO ENRICH LIVES,
SHAPE NATIONS AND DRIVE PROGRESS ACROSS
ALL TOUCHPOINTS.

T

INNOVATE

**MARRYING TECHNOLOGICAL CAPABILITIES WITH
INTRINSIC KNOWLEDGE AND TALENT TO DELIVER
UNIQUE AND MEANINGFUL EXPERIENCES TO
CONSUMERS.**

48th

ANNUAL GENERAL MEETING



CYBERTORIUM,
LEVEL 2, MENARA STAR,
15, JALAN 16/11,
46350 PETALING JAYA,
SELANGOR DARUL EHSAN



MONDAY, 22 JUNE 2020



10.00 A.M.

PG.14

CHAIRMAN'S STATEMENT

PG.52

FY2019 AWARDS

PG.74

SUSTAINABILITY STATEMENT

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More information at

www.starmediagroup.my

* PROXY FORM

VISION

To be the leading and innovative media group with various touchpoints to connect with people.

SOAR TO GREATER HEIGHTS.

MAKE A DIFFERENCE ALWAYS.

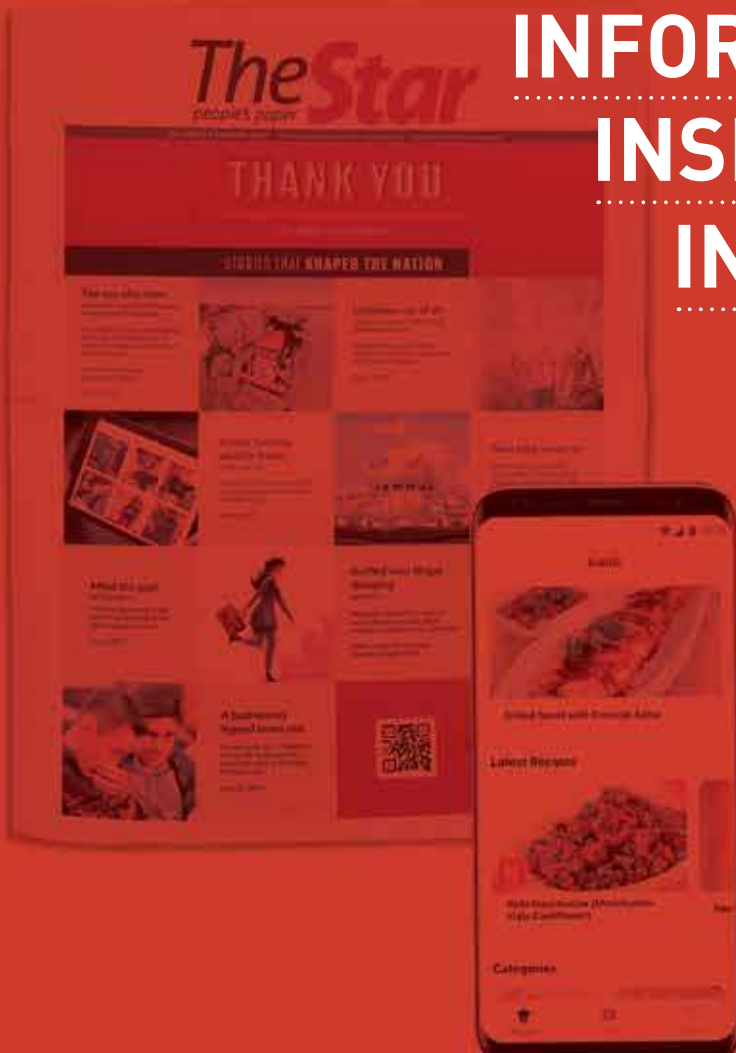
GROW THE RIGHT WAY.



MISSION

Our role as a media company is to keep people informed and inspired through our content and services. In order to continue offering our customers the best-in-class products and experiences, we will continue to innovate.

INFORM
INSPIRE
INNOVATE



TheStar
people's paper

216,062

DAILY PRINT AND
ePaper CIRCULATION

JAN - DEC 2019

**AT A
GLANCE**

TheStar

8.5 Million

MONTHLY AVERAGE USERS

74.9 Million

MONTHLY AVERAGE
PAGEVIEWS

3.42 Million

SOCIAL MEDIA FOLLOWERS



More information at
www.starmediagroup.my

Source: Google Analytics (Jan - Dec 2019)



1.99 Million

WEEKLY LISTENERS

Source: GfK Radio Audience Measurement (RAM)
Wave 2 2019

1.16 Million

**MONTHLY AVERAGE DIGITAL
RADIO STREAMS**

Source: RADIOactive (Jan-Dec 2019)

4.01 Million

**MONTHLY AVERAGE
VIDEO VIEWS**

Source: YouTube Analytics & Socialbakers (Jan-Dec 2019)

582,000

**MONTHLY AVERAGE
PAGEVIEWS**

Source: Google Analytics 360 (Jan-Dec 2019)

997,000

SOCIAL MEDIA FOLLOWERS

Source: Facebook Insights, Socialbakers, Twitter &
YouTube Analytics (Jan-Dec 2019)

189,000

APP DOWNLOADS

Source: Socialbakers, All Time Google Play & iOS App
Downloads as of Dec 2019

ILI dimsum[®]
entertainment

MORE THAN
10,000 HOURS OF
CONTENT

1.1 Million
SUBSCRIBERS

6 REGIONAL CONTENT
PARTNERS

150,000
SOCIAL MEDIA
FOLLOWERS

2.64 Million

**WEEKLY
LISTENERS**

Source: GfK Radio Audience
Measurement (RAM) Wave 2 2019

2.73 Million
MONTHLY AVERAGE
DIGITAL RADIO
STREAMS

Source: RADIOactive (Jan-Dec 2019)

409,000

**MONTHLY AVERAGE
PAGEVIEWS**

Source: Google Analytics 360
(Jan-Dec 2019)

1.58 Million
SOCIAL MEDIA
FOLLOWERS

Source: Facebook Insights,
Socialbakers, Twitter & YouTube
Analytics (Jan-Dec 2019)

5.05 Million
MONTHLY AVERAGE
VIDEO VIEWS

Source: YouTube Analytics & Socialbakers
(Jan-Dec 2019)

258,000
APP DOWNLOADS

Source: Socialbakers, All Time Google
Play & iOS App Downloads as of
Dec 2019

SURIA

mStar
urban.versatil

Source: Google Analytics (Jan - Dec 2019)

5.1 Million
MONTHLY AVERAGE
USERS

17.3 Million
MONTHLY AVERAGE
PAGEVIEWS

1.1 Million
SOCIAL MEDIA
FOLLOWERS

91
EVENTS HELD NATIONWIDE

ENGAGING OVER
406,584
MALAYSIANS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTY-EIGHTH ANNUAL GENERAL MEETING ("AGM") OF STAR MEDIA GROUP BERHAD ("THE COMPANY") WILL BE HELD AT THE CYBERTORIUM, LEVEL 2, MENARA STAR, 15, JALAN 16/11, 46350 PETALING JAYA, SELANGOR DARUL EHSAN ON MONDAY, 22 JUNE 2020 AT 10.00 A.M. FOR THE PURPOSE OF TRANSACTING THE FOLLOWING BUSINESSES:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Directors' and Auditors' Reports thereon.
Please refer to Explanatory Note 1
2. To re-elect the following Directors who retire pursuant to Clause 116 of the Constitution of the Company and being eligible, have offered themselves for re-election:

(a) Dato' Fu Ah Kiow	Ordinary Resolution 1
(b) Madam Wong You Fong	Ordinary Resolution 2

Please refer to Explanatory Note 2
3. To approve the payment of Directors' fees up to an amount of RM700,000 to the Non-Executive Directors for the financial year ended 31 December 2019.
Please refer to Explanatory Note 3
Ordinary Resolution 3
4. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to RM500,000 from the conclusion of the Forty-Eighth AGM until the next AGM of the Company.
Please refer to Explanatory Note 4
Ordinary Resolution 4
5. To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note 5
Ordinary Resolution 5

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, which will be proposed as Ordinary Resolutions:

6. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016 ("THE ACT")**

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 75 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of total number of issued shares/total number of voting shares of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."
Please refer to Explanatory Note 6
Ordinary Resolution 6

7. **PROPOSED RENEWAL OF AUTHORITY FOR STAR MEDIA GROUP BERHAD TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES OR THE TOTAL NUMBER OF VOTING SHARES**

“THAT subject always to the Companies Act 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares in the Company’s total number of issued shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares or the total number of voting shares of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (aa) cancel all the shares so purchased; and/or
- (bb) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (cc) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of a depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company.”

Ordinary Resolution 7

Please refer to Explanatory Note 7

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

HOH YIK SIEW (MAICSA 7048586)

Company Secretary

Petaling Jaya
22 May 2020

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Notes:

Proxy

1. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to vote by way of poll.
2. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restrictions as to the qualification of the proxy. In the case of a corporation, the Proxy Form must be executed under seal or signed by an officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The Proxy Form must be deposited at the Share Registrar's Office, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the meeting. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at <https://tiih.online> not less than 48 hours before the meeting. For further information on the electronic lodgement of Proxy Form, kindly refer to the annexure to Proxy Form.
5. Only members whose names appear in the General Meeting Record of Depositors as at **10 June 2020** shall be entitled to attend, participate, speak and vote at the 48th AGM or appoint proxy(ies) to attend, participate, speak and/or vote on their behalf.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the forthcoming 48th AGM and/or any adjournment thereof, a member of the Company:

1. consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
2. warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers) the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
3. agrees that the member will indemnify the Company in respect of any penalties, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes

1. Audited Financial Statements for the financial year ended 31 December 2019

The Audited Financial Statements are laid before the shareholders pursuant to Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda item 1 and will not be put forward for voting.

2. Ordinary Resolutions 1 and 2 Re-election of Directors pursuant to Clause 116 of the Company's Constitution

Clause 116 of the Company's Constitution provides that at least one-third (1/3) of its Directors shall retire from office and are subject to re-election at every AGM of the Company. All Directors are required to retire from office at least once every three (3) years.

Pursuant to this, Dato' Fu Ah Kiow and Madam Wong You Fong are due for re-election by rotation and they have offered themselves for re-election at the 48th AGM of the Company.

The Board had via the Nomination Committee (“NC”) conducted an assessment on the effectiveness and contribution of the above retiring Directors to the Board. Based on the assessment and recommendation of the NC, the Board recommended the re-election of the aforesaid Directors to the Board at the Company’s 48th AGM. All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NC and Board Meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

**3. Ordinary Resolution 3
Payment of Directors’ Fees to the Non-Executive Directors for the financial year ended 31 December 2019**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Company is requesting for the shareholders’ approval for the payment of fees to the Non-Executive Directors for rendering their services to the Company during the financial year ended 31 December 2019. The Board fee structure remains unchanged from that in the preceding financial year, i.e. financial year ended 31 December 2018.

**4. Ordinary Resolution 4
Payment of Directors’ Benefits to the Non-Executive Directors from the conclusion of the 48th AGM until the next AGM of the Company**

Pursuant to Section 230(1) of the Companies Act 2016, any fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the benefits payable to the Non-Executive Directors of the Company comprising the following:

- Board Committee allowance
- Meeting allowance
- Medical benefits and insurance coverage
- Club membership
- Other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors.

The payment of benefits to the Non-Executive Directors will be made by the Company as and when incurred provided that the proposed Ordinary Resolution 4 be passed at the 48th AGM. The Board is of the view that it is just and equitable for the payment of benefits to the Non-Executive Directors be made as and when incurred, after they have discharged their responsibilities and rendered their services to the Company. The benefits for the Non-

Executive Directors remain unchanged, the same amount for which approval was sought and obtained at the 47th AGM of the Company last year.

**5. Ordinary Resolution 5
Re-appointment of Auditors**

The Board had at its meeting held on 27 February 2020 approved the recommendation by the Audit Committee on the re-appointment of Messrs BDO PLT as Auditors of the Company. The Board and Audit Committee collectively agreed that Messrs BDO PLT met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**6. Ordinary Resolution 6
Proposed Authority to Allot and Issue Shares pursuant to Section 75 of the Companies Act 2016**

The Company had, during its 47th AGM held on 15 May 2019, obtained its shareholders’ approval for the general mandate for issuance of shares pursuant to Section 75 of the Companies Act 2016. No share was issued pursuant to the general mandate as at the date of this Notice.

The proposed Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Section 75 of the Companies Act 2016. The general mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue shares in the Company up to an amount of not exceeding in total ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the purpose of funding the working capital or strategy development of the Group. The approval is sought to avoid any delay and cost in convening separate general meetings for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

**7. Ordinary Resolution 7
Proposed Renewal of Authority for Star Media Group Berhad to Purchase its own Ordinary Shares of up to 10% of its total number of Issued Shares or the total number of Voting Shares**

The proposed Ordinary Resolution 7, if passed, will allow the Company to purchase its own shares through Bursa Malaysia Securities Berhad of up to ten percent (10%) of the total number of issued shares of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. Please refer to the Share Buy-Back Statement dated 22 May 2020 for further information.

FINANCIAL CALENDAR

FINANCIAL YEAR

1 JANUARY 2019 to 31 DECEMBER 2019

ANNOUNCEMENT OF 2019 PRELIMINARY RESULTS

First quarter	announced	16 May 2019
Second quarter	announced	28 August 2019
Third quarter	announced	28 November 2019
Fourth quarter	announced	27 February 2020

DIVIDEND

Interim	declared	27 February 2020
	entitlement date	31 March 2020
	paid on	17 April 2020



ANNUAL GENERAL MEETING

Monday, 22 June 2020

10.00 A.M.

CORPORATE INFORMATION

AS AT 6 MAY 2020

BOARD OF DIRECTORS

Dato' Fu Ah Kiow

(Chairman, Independent
Non-Executive Director)

Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon

(Deputy Chairman,
Non-Independent Non-Executive
Director)

Dato' Dr. Mohd Aminuddin bin Mohd Rouse

(Non-Independent Non-Executive
Director)

Mr. Choong Tuck Oon

(Independent Non-Executive
Director)

Madam Wong You Fong

(Independent Non-Executive
Director)

Mr. Chan Seng Fatt

(Independent Non-Executive
Director)

Mr. Loh Chee Can

(Independent Non-Executive
Director)

BOARD COMMITTEES

AUDIT COMMITTEE

Chairman : Mr. Chan Seng Fatt
Members : Mr. Choong Tuck Oon
: Dato' Dr. Mohd Aminuddin
bin Mohd Rouse
: Mr. Loh Chee Can

NOMINATION COMMITTEE

Chairman : Tan Sri Dato' Sri Kuan
Peng Ching @ Kuan Peng Soon
Members : Madam Wong You Fong
: Mr. Chan Seng Fatt

REMUNERATION COMMITTEE

Chairman : Dato' Fu Ah Kiow
Members : Tan Sri Dato' Sri Kuan
Peng Ching @ Kuan Peng Soon
: Dato' Dr. Mohd Aminuddin
bin Mohd Rouse
: Mr. Choong Tuck Oon

COMPANY SECRETARY

Hoh Yik Siew (MAICSA 7048586)

REGISTERED OFFICE

Level 15, Menara Star
15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 – 7967 1388
Fax : +603 – 7954 6752

AUDITORS

BDO PLT (LLP0018825-LCA & AF: 0206)
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : +603 – 2616 2888
Fax : +603 – 2616 3190

SHARE REGISTRAR

Tricor Investor & Issuing House Services
Sdn. Bhd.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 – 2783 9299
Fax : +603 – 2783 9222
Email : is.enquiry@my.tricorglobal.com

PRINCIPAL BANKERS

- Public Bank Berhad
- Standard Chartered Bank Malaysia
Berhad
- RHB Bank Berhad
- CIMB Bank Berhad
- Citibank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities
Berhad
Stock Name : STAR
Stock Code : 6084

CORPORATE WEBSITE

www.starmediagroup.my

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

AS AT 31 DECEMBER

		2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000
KEY BALANCE SHEET DATA						
Total assets		1,722,081	1,649,401	1,153,184*	946,699	973,590
Current liabilities		358,125	255,214	250,422*	86,000	111,874
Total funds employed		1,363,956	1,394,187	902,762*	860,699	861,716
Share capital		738,564	738,564	738,564*	738,564	738,564
Shareholders' funds		1,145,275	1,128,655	873,613*	832,282	818,465
OPERATING RESULT						
Revenue		1,019,020	630,432*	469,189* [Ⓐ]	392,680 [Ⓐ]	315,934[Ⓐ]
Profit before tax		170,073	122,972*	39,812*	8,936	14,643
Profit after tax attributable to shareholders		132,956	97,474*	77,620*	5,226	5,677
FINANCIAL RATIOS						
Revenue growth	%	0.5	[14.9]*	[17.4]* [Ⓐ]	[16.3] [Ⓐ]	[19.5][Ⓐ]
Net earnings per share [#]	sen	18.02	13.20*	10.52*	0.71	0.77
Return on shareholders' funds	%	11.6	10.8*	8.9*	0.6	0.7
Dividend per share - Gross	sen	18.0	18.0	42.0	3.0	2.0
Net assets per share [^]	RM	1.55	1.53	1.18*	1.13	1.11

[#] Computed based on adjusted weighted average number of ordinary shares.

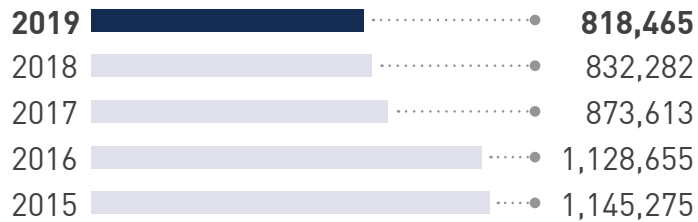
[^] Computed based on net number of outstanding paid-up capital.

* Excludes discontinued operations.

[Ⓐ] Nett of agency commission due to MFRS15.

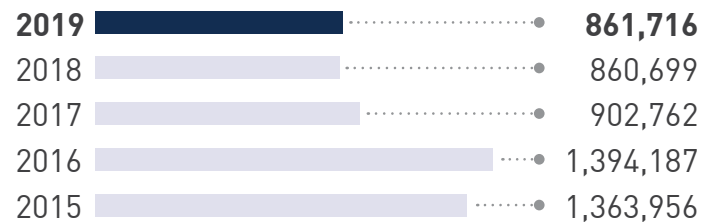
Shareholders' Fund

(RM'000)



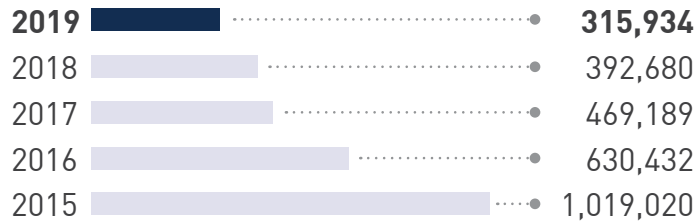
Total Funds Employed

(RM'000)



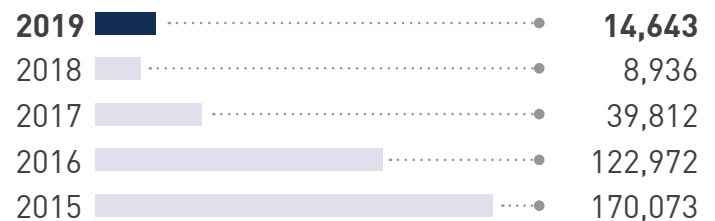
Revenue

(RM'000)



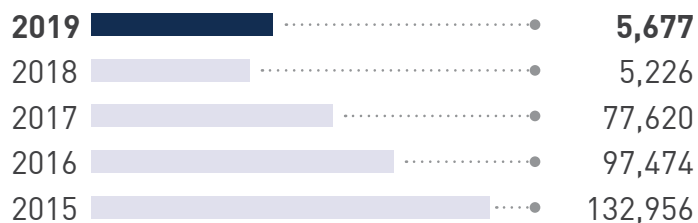
Profit Before Tax

(RM'000)



Profit After Tax Attributable To Shareholders

(RM'000)



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Star Media Group Berhad (“Star” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2019 (“FY2019”).

FROM STRUCTURAL TRANSFORMATION TO STRATEGIC BUSINESS OUTCOMES

As we continue to focus on digital transformation, we have not lost sight of the need to craft products that offer a better experience, with long-term value to our consumers, through a deeper understanding of their needs and wants. 2019 was an exciting year for Star Media Group as many changes, enhancements and improvements were made from a structural, operational, capacity and capability perspective.

Even amidst the challenging media business environment, we were able to make big strides in improving efficiencies and upgrading digital and technological capabilities. Case in point, in 2018, we transitioned our business into more efficient systems to allow seamless content delivery across different platforms, whether on print or on multiple screens.

This began with the migration of our print editorial system into a new integrated system. Last year, thestar.com.my and The Star mobile app joined the new system, to become a single point where we can now manage our print, online, mobile and social media postings from one system, creating much better business efficiencies. At the same time, we are now equipped with a full-fledged Analytics division that not only has the capability in mining data from our existing suite of products to derive customer value, but complement solutions for business clients to set us apart from competitors.

Our prudent investments in the right talent have already begun to bear fruit. With these specific skill sets in place, backed by the right technology, we are able to deliver stronger and better solutions. At the same time, we will continue to grow our digital portfolio and build synergies with existing media businesses to strengthen our existing portfolio of products and services.





CHAIRMAN'S STATEMENT (cont'd)



FINANCIALS

Whilst subject to local and global uncertainties, the Group's businesses have been able to withstand business volatility mainly due to our transformation and rationalisation initiatives in driving down operating costs.

The Group registered total consolidated revenue of RM315.93 million and profit before tax of RM14.64 million in FY2019, compared to revenue of RM392.68 million and profit before tax of RM8.94 million in FY2018. The decline of 19.5% in revenue was mainly due to the Print segment as most advertisers are shifting their marketing spend to Digital platforms. This is coupled with weaker consumer and business sentiments due to the slow down in Malaysia's economic growth. However, our digital segment strategy is gaining traction based on year-on-year comparison as evidenced by the increase in digital revenue of 18%. Profit before tax increased by 64% against FY2018 mainly attributed to lower operating expenses. Further details are presented in the Financial Statements of this Annual Report.

In the face of the challenges facing the media industry, and to enable us to seize more opportunities, we will continue to implement measures to keep costs in check and boost efficiencies.



CORE SEGMENTS

Star Media Group's flagship brand, The Star, continues to hold ground amongst English content readers as we occupy pole position in both the print and digital segments. As our audience continue to move to a mobile-first content consumption pattern, The Star has multiplied and improved on its platforms. Today, you can read The Star in print, on web, on mobile application, and even on an Apple Watch. The Star is also now accessible via Google Assistant, allowing users with Google-powered phones and smart speakers to have the news read to them daily.

On the business front, we have intensified our efforts in creating offerings for small and medium enterprises (SME) across the spectrum of affordability. To that effect, last year we launched LayanDiri, a self-service online advertising booking service specifically targeted at businesses with a smaller advertising budget. This is but one of a slew of other concerted efforts to offer our services to a wider SME audience.

While we are committed to showcase innovation through our products and services, we remain committed to our primary mandate as a member of the fourth estate, to inform, educate and entertain Malaysians across the spectrum.

By leveraging on our media assets, content creation capacity and access to consumers, our increasingly popular Bahasa Malaysia entertainment and news portal, mStar Online, has successfully garnered an all-time high of 22.7 million page views and 6.5 million users a month (source: Google Analytics, 2019).

In the radio sphere, both Suria and 988 have recorded growth in listenership and enhance their product accessibility and offerings. 988's new mobile application now allows radio streaming, podcasts, live studios and rewards. Listeners can get updates on news through the application and catch up on radio segments that they have missed, going back seven days.

In 2019, Kuntum, Malaysia's beloved children's magazine, made its debut on YouTube as we introduced a series of animation videos with Pintar and Comel, Kuntum's mascots, as the central characters. This endeavour was welcomed by advertisers and will be an important part of a concerted effort to propel the magazine to the 21st century.

The Group's food and recipe brand, Kualiti, was given a makeover in 2019 with a revamped website and an all-new application. The Kualiti application is also the first food app in Malaysia with Artificial Intelligence powered image-recognition technology that feeds recommended recipes to users, who may now snap a picture of an ingredient while grocery shopping.

On top of this, in 2019, we collapsed our property portal, Propwall.my into StarProperty.my to become a one-stop buy-and-rent solution for consumers. This came together with a revamp of the website and the launch of a new application which markets properties for sale, rent, rooms-for-rent and short-term stays. We are not only taking steps towards increasing our brand presence, but enhancing customer experience through real-time access to the information they need and other conveniences.

Meanwhile, the Group's subscription video-on-demand service, dimsum entertainment continues to drive more subscriptions and expand its geographical presence, starting with a collaboration with the Malaysian Budget Hotels Association to carry its service in member hotels.

A further review of the Company's operational performance is presented in the Management Discussion and Analysis section of this Annual Report.



EXECUTIVE CHANGES

On 13 August 2019, we welcomed our new Group Chief Executive Officer, Mr. Andreas Vogiatzakis to the Star Media Group family. With his breadth of experience in helming media agencies, his depth of understanding in marketing and the media landscape as a whole, we are confident that he will be a valuable contributor to the Group's business. With this latest addition, we believe the management team is rightly placed to positively change the trajectory of the Group.



ROLL OUT OF THE COMPANY RULES

We also recognise that nothing is more important than ensuring that we work in accordance with the Group's core values. To help ensure this happens, the Company regularly reviews and updates its Code of Conduct and Ethics to ensure everyone is given guidance and is well equipped with knowledge to ensure compliance to the relevant rules and regulations. For instance, the Board and the Senior Management have also taken the necessary steps to ensure adequate procedures are implemented to prevent corruption under the new Section 17A of the Malaysian Anti-Corruption Commission Act 2009.



SUSTAINABLE SHAREHOLDER VALUE CREATION

We remain confident of our strong business fundamentals. Growth and efficiency remain as key focus areas for Star Media Group to ensure we capture both short-term and long-term opportunities that are present in the market.

As we drive business growth, we remain committed to adopting responsible and sustainable business practices in our plans and operations in order to deliver long-term value to our shareholders and all other stakeholders. We will also continue with our active corporate social responsibility efforts. Star Foundation, our charitable arm donated approximately RM1.054 million towards various charitable causes in 2019.

The Board has also expressed serious concerns over the coronavirus pandemic (COVID-19) which poses severe challenges to public health and safety in Malaysia and across the world. The government in Malaysia has implemented Movement Control Order (MCO) since 18 March 2020 as a measure to contain the highly-infectious coronavirus.

During the MCO period, as a media organisation, the Group is permitted to continue operations in a limited manner, to ensure Malaysians are kept informed of developments through our reporting. As a precautionary measure and in accordance with the government's guideline, the Group has activated its Business Continuity Plan with a work-from-home and rotational scheduling arrangement. For the Group's frontline journalists, reporters and photographers, necessary steps have been taken to ensure their health and safety are prioritised at all times.

We are currently unable to quantify the impacts of COVID-19 on our operational and financial performance but our businesses continue to operate through this time. We remain positive and confident about our ability to pass this difficult milestone and to pursue our objectives.

On behalf of the Board, we also express our heartfelt thanks to the government and frontliners for their service to the country during this challenging time. To support the healthcare professionals, Star Foundation has pledged RM1.0 million to help them with medical supplies.

Our sustainability strategies, initiatives and progress are covered in the Sustainability Statement in this Annual Report.



ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude to my fellow Board members for their strategic counsel, guidance and wisdom in conducting the affairs of the Board.

On behalf of the Board, we would like to thank our management, staff and employees for their dedicated work and contribution and extend our deep appreciation to our shareholders, customers, partners and other business associates for their unwavering support.

DATO' FU AH KIOH
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

STEPPING UP OUR GAME

OVERVIEW OF STAR MEDIA GROUP BERHAD

In a world where credible, impartial and relevant news and information is becoming a rare and sought-after commodity, Star Media Group Berhad (“Star Media Group”) is well-poised to grow into a leading integrated media organisation.

Leveraging on its rich journalistic heritage that spans close to five decades and capitalising on the continued success of The Star, its market-leading English daily, Star Media Group possesses a unique ‘trust factor’ that is invaluable in today’s ever-evolving media landscape.

The Group has made the transition from a single-product company to an integrated multi-channel media group, offering innovative and trusted media solutions via state-of-the-art platforms.

It is now focused on streamlining and further strengthening its core business activities, which are segmented into Print, Digital, Events & Exhibition and Radio. These segments are brought together seamlessly through cross-ideation and cross-marketing so as to deliver ‘integrated communications’ that are impactful, measurable and clever to our clients and our audience.

Star Media Group is also making tangible progress in becoming an ASEAN integrated media powerhouse by expanding and solidifying our foothold in the multiple sectors that we are involved in throughout key markets in the region. Facilitating our regional aspiration is the formation of an internal Creative Solutions Team that has been tasked to fortify client offerings by realigning our capabilities and assets to enable the development of end-to-end solutions. This team will be at the forefront of defining the very spirit of integrated media solutions.

As a corporate organisation and a Main Market listed issuer on Bursa Malaysia, Star Media Group remains focused on delivering value growth to our shareholders in a robust and sustainable manner. The multi-channel strategy approach to develop more earning streams is already bearing fruits with meaningful contribution to the Group's revenue.

In order to drive value creation even further, especially in light of the turbulent media industry landscape, Star Media Group is maintaining its process of change. It will continue to restructure and streamline its value chain, rationalise selected investments and optimise cost with the view of making the organisation more nimble, dynamic and ahead of the curve.

Star Media Group's transformation process is always underpinned by the need to create a more data-driven approach in powering its products and solutions. This, alongside with its philosophy of 'Content, Consumer, Connections', will enable Star Media Group to cultivate forward-looking investment strategies that will take it to new heights of success in the realm of integrated media solutions.

REVIEW OF FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 31 December 2019 declined by 19.5% to RM315.93 million from RM392.68 million a year ago. This decline was mainly due to lower advertisement spending in both the print and digital segments.

In spite of this, the Group's profit after tax rose by 4.80% to RM5.72 million from RM5.46 million a year ago. The increase in profit was the result of lower operating expense from the print and radio segments, a reflection of the organisation's focus to rationalise cost while optimising operational efficiencies.

While print advertising revenue declined, the Group's digital segment turned in an increase in revenue of 18% year-on-year. This shows that the organisation's digital strategy is gaining traction in tandem with the global shift towards digital channels and technologies.

The cautious stance taken by advertisers throughout 2019 led to a decline in the radio segment's revenue to RM24.82 million from RM29.51 million a year ago. Similarly, Events and Exhibition segment also recorded lower revenue at RM13.80 million from RM17.22 million last year. This was primarily due to the reduced number of events being organised compared to a year ago.

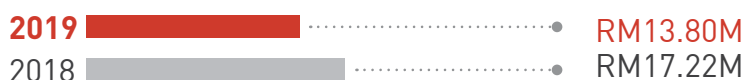
PRINT & DIGITAL



RADIO SEGMENT



EVENTS & EXHIBITIONS



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

DIVIDEND

Star Media Group continues to be energised by the support and loyalty of its shareholders, more so as it continues its push towards becoming a leading regional integrated media company. In tandem with the performance of the Group, the Board of Directors has declared an interim dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2019. The dividend was paid to the shareholders on 17 April 2020 based on the Register of Members at the close of business on 31 March 2020.

The increase in price was reflective of market conditions and is expected to safeguard revenue contribution from our flagship brand

REVIEW OF OPERATIONS

PRINT

THE STAR

In spite of the disruptions that have impacted the media industry, The Star and Sunday Star have remained consistent as the leading English newspaper in Malaysia.

In line with the Group's efforts to fortify its business operations, The Star's cover price was increased by 30 sen during the year under review. The new price of The Star (Monday to Friday) is now RM1.60 per copy and for weekends (Saturday and Sunday) the publication is sold at RM1.80 per copy. The Star's subscription package has also increased by 18% to RM579 per year, while renewal is 33% higher at RM399 per year.

The increase in price was reflective of market conditions and is expected to safeguard revenue contribution from our flagship brand. Concurrently, the Group also reviewed its entire newspaper distribution logistic chain – from printing plant to drop-off points – in a bid to streamline routes and optimise cost. This initiative has resulted in a 22% cost savings for the Group that amounts to approximately RM200,000 per month, from July 2019 onwards.

KUNTUM

Kuntum, the much loved kids edutainment magazine that many Malaysians remember growing up, underwent a revamp and was relaunched in June 2019. After four decades in the market, the magazine now comes in a more compact size, enhancing production efficiencies. It has also recently launched its own animation series featuring the lovable mascots Pintar and Comel.



SAMPLING AND ENHANCING THE STAR'S PRESENCE

In October 2019, Star Media Group took pride in carrying out its largest sampling exercise in its history. The initiative involved coffee sachets by a renowned brand being creatively placed into the daily newspaper, a first for the publication, and distributed across the greater Klang Valley area. The impact of the campaign was measurably positive and strong, generating significant presence for the brand.

In an effort to enhance readership and circulation of The Star, the Group organised a total of 22 roadshows across the country throughout 2019. There were also several stakeholder engagement events such as investment talks, UPSR workshops and safety showcases that are aimed to build brand loyalty with new and existing fans.

The team at The Star also took the effort to foster closer relations with the Johor business community through SPARK Johor 2019. The event, which was a presentation and networking session, drew close to 250 Johor-based corporate leaders and business owners.

DIGITAL AND VIDEO-ON-DEMAND (VOD)

In 2019, Star Media Group continued to invest in sophisticated technologies that would allow it to compete more aggressively in the digital space. Following the successful integration of the NewsPublish Content Management System (CMS) for its print segment last year, the Group extended its partnership with Layout International to implement the NewsPublish CMS for The Star Online. This upgrade will help ensure The Star Online, which celebrated its 20th anniversary in 2019, maintains its position as the No. 1 local English news portal in the country.

As the digital landscape transcends a variety of channels and platforms, from websites to apps, Star Media Group has also introduced a series of products that will collectively solidify its presence as a digital media specialist.



One of its key launches in 2019 was the revamped The Star Malaysia app. Users of the app are able to enjoy a smoother browsing experience as a result of a fresh new layout. The app also features a video functionality to allow users quick access to the latest news videos. Since its introduction, the app recorded numerous positive feedback and five-star ratings. As at 31 December 2019, The Star Malaysia app has recorded 282,206 users. [Source: <https://www.thestar.com.my/news/nation/2015/06/04/the-star-mobile-app-enhanced>]

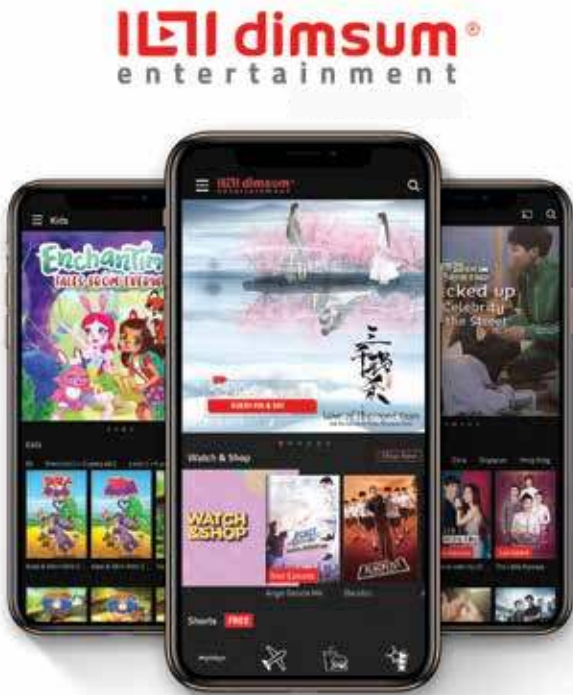
A new KualI app was also launched to complement the revamped kualI.com website. The KualI app is able to find thousands of recipes from chefs and everyday cooks. It also has an A.I. camera feature to recognise commonly found ingredients. Users can just snap a picture of the ingredient and the app will recommend some recipes to cook it with.

StarProperty also has a new website and app that merges StarProperty with PropWall, an end-user app for buying, selling and renting properties. Concurrently, an agent app was also introduced for agents to manage their listings and communicate with interested property seekers.

mStar

The Group's Bahasa Malaysia news portal, mStar, recorded a substantial increase in unique visitors in 2019. Clearly, its decision to tailor its content for the urban Malay community has touched a positive chord amongst its audience. Total annual visitors to the news portal jumped by 68.7% year-on-year. In May 2019, mStar recorded an all-time high of 22 million pageviews and 6.4 million users.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)



2019

1.1 Million
SUBSCRIBERS

10,000
HOURS OF CONTENT

In 2019, a dedicated education section was launched on the platform, offering e-tuition for pre-school, primary and secondary school students

DIMSUM ENTERTAINMENT

Video-on-demand or VOD platforms remain a fast-growing trend globally. Fortune Business Insights™ recently published a report indicating that the VOD market is expected to grow at a CAGR of 9%, reaching a valuation of USD 87.1 billion by the end of 2025.

[Source: <https://fresnobserver.com/video-on-demand-market-global-overview-by-leading-companies/3373>]

Star Media Group intends to capitalise on this uptrend through its regional VOD platform, dimsum entertainment. In 2019, a dedicated education section was launched on the platform, offering e-tuition for pre-school, primary and secondary school students. In addition, dimsum entertainment formed strategic partnerships with credit card giant VISA and leading telco Digi to bolster subscription across the region. On the tourism front, dimsum entertainment signed a collaboration with the Malaysian Budget Hotels Association, whose member hotels now carry its video service. It also organised Malaysia's largest Thai pop concert featuring nine popular artists from Thailand. The event was supported by the Royal Thai Embassy. Adopting innovation as part of its growth strategy, dimsum entertainment was the first VOD platform to launch a 'shop-able' in-app experience called Watch & Shop in 2019.

As of 31 December 2019, dimsum entertainment has over 1.1 million subscribers and offers more than 10,000 hours' worth of Asia-centric content. The year also saw the fast-growing VOD brand adding new content partners to its stable including Oh!K, Miao Mi, GMM Grammy, Asia Travel, Ani-One and NewsTV.

RADIO

988

988 continues to be one of Malaysia's top Chinese language radio stations with a strong digital and social media presence. According to GfK's Radio Audience Measurement (RAM) survey, the station saw its listenership grow from 1.94 million to a new high of 1.99 million in 2019.

988 also has the highest Time Spent Listening amongst all Chinese-language stations. Its listeners tuned in for an average of 7 hours and 11 minutes per week, reflecting the captivating content the station offers.

From a geo-centric perspective, 988 is today the No.1 Chinese station in Selangor and Perak, securing 715,000 and 340,000 weekly listeners respectively. It is also seeing growth on digital stream with 1.71 million sessions. In 2019, the station saw its highest growth from the Northern region (among Chinese stations), with an 18% increase in listenership and 42% increase in exclusive listeners.

In line with Star Media Group's digital stance, 988 has upgraded its mobile app to cater to the changing needs of its fans. The upgrade essentially transforms how an audio-based medium is made "viewable" with attractive video content.

In addition to the "listen and watch live" feature, the 988 app also includes a 7-day catch-up via podcast. It will now be hard for fans to miss the station's ever-popular radio dramas, news, articles and videos.

[Source: GFK Result Wave 1 (March - April 2019), Wave 2 (September - October 2019), Radioactive (September - October 2019)]

SURIA

Suria recorded an increase in listenership from 2.27 million in 2018 to 2.64 million in 2019, according to the latest Radio Audience Measurement (RAM) Survey released by GFK. This led to its rise in ranking to become the No. 4 Malay radio station in Malaysia, marking a significant achievement in view of the number of competing Malay language stations in the market today. This success can be attributed to the introduction of high-quality content delivered through signature weekday segments such as Team Pagi Suria, Gaya Suria, Suria Petang and Suria Cinta.

Suria Cinta has once more proven to be the station's favorite show as host DJ Lin once again bagged Berita Harian's Anugerah Bintang Popular 2019 for Most Popular Radio Presenter, her second accolade in her illustrious career.

Additionally, Suria also recorded an increase in digital listeners from 2.44 million in 2018 to 2.73 million in 2019. In addition to fresh and original content, the station's growing presence in the digital space can also be attributed to the introduction of Suria TV, the digital extension of Suria hosted on Youtube, Facebook and www.suria.my. Suria TV has garnered over 60.6 million views to date, contributing to a total of 1.2 million followers.

Jelajah Suria, the station's signature on-ground event had scored 'full house' attendance in Johor Bahru, Kuantan, Kedah and the Klang Valley. These events brought notable performers such as Ruffedge, Dayang Nurfaizah, Akim and The Majistret, Wani Hasrita and Ernie Zakri. Jelajah Suria was able to showcase Suria from an experiential and engagement perspective by bringing together its songlist, artistes, announcers and segments before a 'live' audience.

[Source: GFK Results; Wave 1 (March-April) & Wave 2 (September - October), Radioactive (Jan-Dec 2019)]

Suria Cinta has yet again proved to be the station's favorite show as host DJ Lin once again bagged Berita Harian's Anugerah Bintang Popular 2019 for Most Popular Radio Presenter

988

1.99 Million

WEEKLY LISTENERS

No.1

IN SELANGOR & PERAK

SURIA

2.64 Million

WEEKLY LISTENERS

2.72 Million

MONTHLY AVERAGE DIGITAL
RADIO STREAMS



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

EVENTS & EXHIBITIONS

Star Media Group's themed events and exhibitions is a business segment that is not only growing but also proving to be a viable avenue that takes the spirit of integrated marketing solutions to new levels.

Annual events like WOW Fiesta, Anak-Anak Malaysia, StarWalk, Carsifu Autoshow and MyStarjob Fair continue to generate interest and attract attendance in great numbers. This in turn offers marketers and advertisers a powerful opportunity to engage their respective audience through a multitude of channels including direct face-to-face engagements, print advertising, public relations, digital and social media as well as broadcast (radio and video).

Star Media Group is also solidifying its presence amongst the business and investment community with annual programmes such as Star Outstanding Business Awards or SOBA. The Awards hosted its 10th Anniversary Celebration in 2019, which was celebrated by a special walk down memory lane with past award winners.

At the same time, the Group also launched a series of SME Thought Leadership forums to help SMEs capitalise on data analytics in order

to thrive in today's world of big data. These forums were held in tandem with capacity-building initiatives for SMEs through workshops, conferences and forums such as SOBA Lab, Star Empowerment, People 4.0 Conference, Malaysia China Outlook Forum and Programmatic Malaysia.

A new addition to the Group's portfolio of events is the inaugural Export Excellence Awards that was held in November 2019. This industry accolade was aimed at recognising and commemorating the 'the best of the best' in Malaysia's export space.

StarProperty Fair has gained a reputation amongst property developers and home buyers as a premier property exhibition in Malaysia. In addition to bringing together property products with buyers and investors, the Fair is also renowned as an educative platform for gaining invaluable insights into the property market.

Throughout 2019, a total of 14 StarProperty Fairs were held at various shopping malls and convention centres across the Klang Valley, Johor Bahru and Penang. Each Fair drew an average of 3,000 to 4,000 visitors. There were also digital fairs being in the StarProperty website as a means for exhibitors to engage and reach a wider base of audience.



In addition to its Fair, StarProperty continues to organise one of the property industry's most sought-after accolades, StarProperty Awards. In 2019, the Awards were categorised into specific segments in order to better cater to the diverse stakeholders in the real estate industry.

I.Star Ideas Factory Sdn Bhd's Perfect Livin' and Perfect Lifestyle Expos have also continued to be crowd-pullers with the vast array of home and lifestyle offerings. A total of nine events were held in 2019, generating a total turnout of 230,000 people. There were over 500 renowned exhibitors showcasing their products and services throughout the year and most importantly, the events generated over RM100 million in sales collectively.





In 2020, the Group will continue on its transformation journey to become regional integrated media organisation.

MOVING FOWARD

The Covid-19 outbreak, which is affecting economies and communities across the world, as well as Malaysia's domestic political uncertainties, will certainly impact the media industry in 2020. Advertising expenditure is expected to slow considerably until these strong headwinds blow over.

The industry will also be pressured by the on-going digital evolution, as advertisers and marketers shift investments away from print ads towards digital platforms. Additional disruptions are caused by consumers turning to other channels to source for news and information.

Clearly, the tried and tested way of running a newspaper business has evolved significantly.

Star Media Group had recognised these shifts early and have made the decision to transform our organisation into one that embraces technology and innovation while holding firm to the ideals of our business – trust, relevance and timeliness.

In 2020, the Group will continue on its transformation journey to become regional integrated media organisation. In order to achieve this, we will invest in new technologies and analytics to improve, deepen and predict how our customers consume content. This will enable us to increase the level of our engagement and monetise our assets so as to successfully drive new revenue streams beyond traditional print.

Star Media Group will also continue to grow our VOD platform, dimsum. entertainment. The platform currently enjoys a niche position as an avenue that serves the best Asian content. The Group will be looking to offer simulcast and exclusive premiers from our content partners while exploring ways to diversify and strengthen its revenue stream.

The radio segment has grown from strength to strength as it focuses on building greater traction amongst the Chinese and Malay audience. Reach and engagement are enhanced further through the introduction of attractive and interactive mobile apps and digital content. The successful integration of radio, digital and social media technologies will be appealing to advertisers and marketers in search of impactful avenues to reach out to their target audience.

Star Media Group's Events and Exhibitions continue to garner strong traction and loyal following. In addition to attracting quality exhibitors and sponsors to these events, the Group also intends to leverage on our traditional print, radio and digital assets to offer an integrated communications package to advertisers and brand owners. This approach can help drive further revenue growth across our multi-channel value chain.

As it progresses forward into 2020, Star Media Group will invest in assets that will complement its digital shift. At the same time, it will also look into diversifying into unrelated businesses or industries, either by acquisitions or strategic mergers, with the aim of delivering accelerated value growth to the organisation and its shareholders. Any investment decision will be taken after careful consideration by the Board of Directors and the Senior Management team in order to ensure viability and potential to deliver strong returns on investments.

In view of the operating landscape ahead and the Group's strategic goals, the Board of Directors and Senior Management are confident of a satisfactory performance in 2020.

PROFILES OF DIRECTORS

DATO' FU AH KIOH

- Chairman,
Independent
Non-Executive Director



Nationality

Malaysian

Age

71

Gender

Male

Date of First Appointment as a Director

27 February 2014

Length of Service as a Director

(as at 6 May 2020)

6 years 2 months

Date of Last Re-Election as a Director

22 May 2017

Board Committee(s) served on

- Remuneration
Committee (Chairman)

Academic/Professional Qualification(s)

- Bachelor of Science (Honours) Degree In Physics, University Of Malaya
- Master's Degree in Industrial Engineering and Management Science, University of Cranfield, United Kingdom

Present Directorship(s)

- Listed Company
- Tiong Nam Logistics Holdings Berhad

Others

- Star Foundation (non-profit organisation)



Working Experience

Dato' Fu has many years of distinguished service in the Malaysian Government. He was elected a Member of Parliament in 1995 and was a Deputy Minister in several ministries prior to his retirement in 2008. Before joining the government, Dato' Fu had worked as an engineer and in various managerial roles, with multinational companies engaged in construction and M&E engineering services including Intel Malaysia Sdn. Bhd.

TAN SRI DATO' SRI KUAN PENG CHING @ KUAN PENG SOON

- Deputy Chairman,
Non-Independent
Non-Executive Director



Nationality

Malaysian

Age

74

Gender

Male

Date of First Appointment as a Director

27 February 2014

Length of Service as a Director

(as at 6 May 2020)

6 years 2 months

Date of Last Re-Election as a Director

15 May 2019

Board Committee(s) served on

- Nomination Committee (Chairman)
- Remuneration Committee (Member)

Academic/Professional Qualification(s)

- Bachelor of Engineering in Electrical Engineering, University of Adelaide, South Australia
- Member of the Institution of Engineers, Malaysia

Present Directorship(s)

- Listed Company
- Nil

Others

- Star Foundation (non-profit organisation)
- Kojadi Skill Development Foundation (non-profit organisation)
- TARC Education Foundation (non-profit organisation)



Working Experience

Tan Sri Kuan sits on the board of several public and private companies.

DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

- Non-Independent Non-Executive Director



Nationality

Malaysian

Age

74

Gender

Male

Date of First Appointment as a Director

23 July 1997

Length of Service as a Director

(as at 6 May 2020)

22 years 9 months

Date of Last Re-Election as a Director

15 May 2019

Board Committee(s) served on

- Audit Committee (Member)
- Remuneration Committee (Member)

Academic/Professional Qualification(s)

- Bachelor of Science (Honours) In Biochemistry, University of Malaya
- Phd in Agricultural Chemistry, University of Adelaide, South Australia

Present Directorship(s)

Listed Companies

- Ajiya Berhad
- Tanco Holdings Berhad
- Managepay Systems Berhad

Others

- Karambunai Corp Berhad
- Star Foundation (non-profit organisation)



Working Experience

Dato' Dr. Mohd Aminuddin began his career as the Head and Lecturer at the Department of Biochemistry and Microbiology before becoming the professor of Biochemistry and Deputy Dean at Universiti Pertanian Malaysia in 1977.

Prior to joining Berjaya Group Berhad as the Group Director in 1994, he was the Director of Manufacturing and Agribusiness for Guthrie Berhad Group. He was the Group Chief Executive Officer of Konsortium Perkapalan Berhad cum President and Chief Executive Officer of PSNL Berhad. In November 1997, he assumed the position of Executive Chairman, Indah Water Konsortium Sdn Bhd and was President & Chief Executive Officer of Malaysian Technology Development Corporation Sdn Bhd. He retired as a director from Konsortium Logistics Bhd in 2007.

MR. CHOONG TUCK OON

- Independent Non-Executive Director



Nationality

Malaysian

Age

61

Gender

Male

Date of First Appointment as a Director

1 June 2017

Length of Service as a Director

(as at 6 May 2020)

2 years 11 months

Date of Last Re-Election as a Director

15 May 2018

Board Committee(s) served on

- Audit Committee (Member)
- Remuneration Committee (Member)

Academic/Professional Qualification(s)

- Bachelor of Science (First Class) In Mathematics, University of Malaya
- Masters of Science In Computer Applications, Asian Institute of Technology
- Executive Diploma In Directorship, Singapore Management University

Present Directorship(s)

Listed Company

- Nil

Others

- Credit Guarantee Corporation Malaysia Berhad
- FIDE Forum



Working Experience

Mr. Choong specialises in technology, strategy and transformation and is active in the digital start-up ecosystem in ASEAN. He was with Accenture for twenty-four (24) years, where he retired as Senior Partner in the Asia-Pacific Financial Services practice. He has also led strategic initiatives with more than twenty (20) large domestic and global banks and insurers in South East Asia and ASEAN countries, including national payment projects in Malaysia and Singapore.

Prior to financial services, he led strategic initiatives in oil and gas, telecommunications and utilities sectors. He has also been active in voluntary non-governmental organisation work where he advised a consortium of international aid agencies on core systems for the launch of a bank-of-banks for MFIs in Indonesia and advised a global wildlife/nature agency on a new growth strategy for eleven (11) countries in Asia. He started his career in Petronas where he held executive positions in various upstream and downstream functions for more than seven (7) years.

PROFILES OF DIRECTORS (cont'd)

MR. CHAN SENG FATT

- Independent Non-Executive Director



Nationality

Malaysian

Age

56

Gender

Male

Date of First Appointment as a Director

11 August 2018

Length of Service as a Director

(as at 6 May 2020)

1 year 8 months

Date of Last Re-Election as a Director

15 May 2019

Board Committee(s) served on

- Audit Committee (Chairman)
- Nomination Committee (Member)

Academic/Professional Qualification(s)

- Chartered Accountant of Malaysian Institute of Accountants

Present Directorship(s)

Listed Companies

- Fitters Diversified Berhad
- Salcon Berhad
- Comfort Gloves Berhad

Others

- Nil



Working Experience

Mr. Chan brings with him an extensive career exposure spanning more than thirty (30) years covering various aspects of experience namely external and management auditing, financial management, corporate finance, stockbroking and senior level operation and general management.

Mr. Chan's last posting was with Tradewinds Plantation Berhad as the Chief Executive Officer, a position which he held for five (5) years. Prior to joining Tradewinds Group, he had held several senior positions in various public and private companies.

MADAM WONG YOU FONG

- Independent Non-Executive Director



Nationality

Malaysian

Age

48

Gender

Female

Date of First Appointment as a Director

1 June 2017

Length of Service as a Director

(as at 6 May 2020)

2 years 11 months

Date of Last Re-Election as a Director

15 May 2018

Board Committee(s) served on

- Nomination Committee (Member)

Academic/Professional Qualification(s)

- LLB (Hons) Law (London)
- Certificate In Legal Practice (CLP)

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Madam Wong is a practicing lawyer with more than twenty-four (24) years' experience. She is currently practicing under firm of Messrs. Wong You Fong & Associates.

MR. LOH CHEE CAN

- Independent Non-Executive Director



Nationality

Malaysian

Age

51

Gender

Male

Date of First Appointment as a Director

3 January 2019

Length of Service as a Director

(as at 6 May 2020)

1 year 4 months

Date of Last Re-Election as a Director

15 May 2019

Board Committee(s) served on

- Audit Committee (Member)

Academic/Professional Qualification(s)

- Master of Business Administration, Multimedia University
- Class 1 Marine Engineer Officer, Marine Engineer Officer Unlimited (Foreign Going, Motor) Malaysia
- Jurutera Kelas Satu, Jabatan Kilang Dan Jentera Malaysia
- Diploma in Marine Engineering, Ungku Omar Polytechnic, Malaysia

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

In 1992 to 2002, Mr. Loh began his career in Singapore as a Junior Engineer. He was subsequently promoted to Chief Engineer, served on board ocean-going vessels trading worldwide with Ship Management companies in Singapore and Malaysia.

From 2003 to 2018, he started ashore as an Engineer Superintendent and progressed to Senior Engineer Superintendent, Senior Manager and Engineering Project Head in a leading Shipping Conglomerate in Malaysia. During this period, he served at different units in Fleet Management Services handling LNG/LPG and Crude Tankers, Operations and Performance Improvement, Maritime Education/Training and Project Management. Mr. Loh also covered functional roles of top management during his employment.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

None of the Directors have family relationship with any other Directors and/or major shareholders of the Company.

2. Conflict of Interest

All the Directors have no conflict of interest with the Company.

3. Convictions for Offences

None of the Directors have any conviction for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2019 is disclosed in the Corporate Governance Overview Statement.

PROFILES OF KEY MANAGEMENT

AS AT 6 MAY 2020

MR. ANDREAS VOGIATZAKIS

- Group Chief Executive Officer



Nationality
Greek

Age
53

Gender
Male

Date of Appointment
13 August 2019

Academic / Professional Qualification(s)

- High Honors, Advertising, University of Florida

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Mr. Andreas was previously the Chief Executive Officer ("CEO") of Havas Media Group, Malaysia, a position he held since August 2016 up to June 2019. Prior to that, he was the CEO of Omnicom Media Group Malaysia since 2006. He began his media career at DMB&B in New York, USA in 1991, and then he joined JWT in Athens, Greece before heading to Asia. In 1997, Mr. Andreas launched and ran MediaVest Japan, later merging it with Starcom, in partnership with Dentsu, with a short stint in between as the Wieden & Kennedy's Media Director in Tokyo.

In 2003, Mr. Andreas moved to Taiwan as the CEO of the MindShare Group and in October 2016, he relocated to Malaysia to lead Omnicom Media Group. He has also served as president, treasurer or council member on several industry associations and committees and as a judge on numerous award juries as well as a member on various industry and university advisory boards.

MR. AU CHEN SUM

- Group Chief Financial Officer



Nationality
Malaysian

Age
40

Gender
Male

Date of Appointment
9 March 2020

Academic / Professional Qualification(s)

- Bachelor of Accounting, University of Malaya
- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Mr. Au has more than seventeen (17) years of experience in finance management, financial reporting, corporate finance, treasury, auditing and taxation. He started his career as an Audit Associate with PricewaterhouseCoopers in 2003, before moving to Ernst & Young, Beijing, China in 2006 where he was promoted to Audit Manager in 2008.

Since 2010, Mr. Au spent eight (8) years in Parkson Retail Group Limited ("PRGL"), a company listed in Hong Kong Stock Exchange. During his stint in PRGL, he assisted the Chief Executive Officer, Executive Chairman and the Board in executing strategic business decisions and contributed from financial perspective to the group's transformation program, including integration of online and offline platforms, mobile POS system and other new business investment. His last position with PRGL was Chief Financial Officer from May 2013 to December 2018.

Prior to joining Star Media Group Berhad, Mr. Au was the Chief Financial Officer of Singer (Malaysia) Sdn. Bhd. in charge of treasury, tax, financial reporting and spearheading the digital business transformation.

MS. ESTHER NG SEK YEE

- Chief Content Officer



Nationality

Malaysian

Age

51

Gender

Female

Date of Appointment

1 June 2018

Academic / Professional Qualification(s)

- Bachelor of Arts (Honours), University Kebangsaan Malaysia

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Ms. Esther Ng joined the Company as a news reporter in June 1992, a few months before formally graduating from Universiti Kebangsaan Malaysia. She was a court reporter, covering the Legal Affairs beat for a number of years before joining the Parliament beat, reporting on current news and happenings, and writing about the goings-on in the August House. She rejoined the general news team after leaving courts, covering government and ministerial leaders, elections, among other news stories.

She was made News Editor in 2010, co-leading the main desk of the Editorial Department before being made Sunday Star Editor five (5) years later, taking charge of the weekend edition, focusing on news issues, weekend cover stories and profile pieces.

Ms. Esther was promoted to Executive Editor in 2017 before being made Star Media Group's first ever Chief Content Officer in June 2018, taking charge of the Group's Content in the print, online and video platforms.

MS. LYDIA WANG CHEN CHOO

- Chief Revenue Officer



Nationality

Malaysian

Age

48

Gender

Female

Date of Appointment

1 May 2018

Academic / Professional Qualification(s)

- Bachelor of Science in Resource Economics, University Pertanian Malaysia

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Ms. Lydia Wang joined Star in 2014 as General Manager in charge of direct clients. In May 2018, she was promoted to Chief Revenue Officer of Star. Since then, she has been instrumental in the transformation journey for Star Media Group, changing the sales approach of product based solutions to integrated platform agnostics business solutions that cut across online to offline (O2O).

Ms. Lydia Wang is a dedicated Sales and Marketing strategist with over twenty (20) years of experience in various industries spanning FMCG, Finance, Retail, Telecommunications, Education and Media.

She has vast experience in leading multiple business units and large teams. She has a proven track record of introducing many successful first and business growth initiatives. Some of her notable achievements include works in Product Development for instance Malaysia's first multi-party loyalty programme – BonusLink, Brand Development and turnarounds such as Parkson and Taylor's Education Group.

PROFILES OF KEY MANAGEMENT

AS AT 6 MAY 2020 (cont'd)

MR. KANG YEW JIN

- Group Chief Technology Officer



Nationality
Malaysian

Age
49

Gender
Male

Date Of Appointment
16 April 2018

Academic / Professional Qualification(s)

- Bachelor of Engineering in Computer Engineering, University of New South Wales
- Project Management Professional
- The Open Group TOGAF 9 Certified Practitioner

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Mr. Kang oversees the Group's overall strategies and initiatives related to technology and focuses on digital transformation across the Group.

In a previous employment, Mr. Kang was the Chief Information Technology Officer for Hong Leong Bank where he uplifted the bank's technology capabilities and won the bank many awards for their innovations, such as the Best Internet Bank Malaysia 2015 from Global Banking and Finance Review and The Asian Banker Technology Innovation Award 2016 for Best Cloud based Project. Mr. Kang joined Hong Leong Bank from OCBC Bank where he was responsible for the regional technology operations for OCBC's subsidiaries. Prior to OCBC, he worked at AmBank as Chief Architect where he was responsible for the bank's technology transformations.

Before all these, he has had consulting stints at Accenture and at IBM where he ran international technology projects for Metropolitan Life which gave him experience working on projects in India, Hong Kong, Korea, Australia and Mexico.

In November 2019, Mr. Kang was named by International Data Group (IDG) as one of ASEAN's 50 most innovative technology leaders.

MR. TERENCE RAJ

- General Manager, Group People



Nationality
Malaysian

Age
46

Gender
Male

Date of Appointment
1 January 2014

Academic / Professional Qualification(s)

- Bachelor of Arts, University of Malaya

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Mr. Terence is responsible for the overall Human Resources function of the Group. He has had over twenty (20) years of experience in Human Resources of the media industry.

Prior to assuming this role, he served as Manager, Compensation & Benefits of the Company. He also currently serves on the employers' panel of the Industrial Court of Malaysia as well as the SOCSO Appellate Board.

MS. CHAI MING JYE

- Assistant General Manager, Internal Audit



Nationality

Malaysian

Age

42

GENDER

Female

Date of Appointment

1 February 2015

Academic / Professional Qualification(s)

- Fellow of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Professional Member of the Institute of Internal Auditors Malaysia

Present Directorship(s)

Listed Company

- Nil

Others

- Nil



Working Experience

Ms. Chai began her career with an established audit firm, Messrs BDO, where she honed her technical skills. During her stint with the firm, she was involved in audit and various corporate exercises of public listed and private companies in varied industries. She was holding a managerial post before moving on to join the finance department of an international oil major and subsequently to a local media conglomerate. She was responsible for the financial and reporting functions of these companies.

Her career with Star Media Group began in year 2008 with Finance Department where she directly reported to the Head of Finance. In year 2012, she was promoted to assume the role as Head of Internal Audit Department.

Given her twenty (20) years of experience, she brings forth extensive knowledge and experience which contributed to her current role in leading the department and strengthening the controls of the Group.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

None of the Key Management has family relationship with any other Directors and/or major shareholders of the Company.

2. Conflict of Interest

All the Key Management has no conflict of interest with the Company.

3. Convictions for Offences

None of the Key Management has any conviction for offences within the past five (5) years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Star Media Group Berhad (“Star” or “the Company”) is committed to the high standards of corporate governance and recognises that good governance is pivotal for the long-term success and sustainability of the business performance of the Company and its subsidiaries (the “Group”) whilst generating sustainable shareholder value. The Board evaluates and continues to reinforce the current corporate governance practices in order to remain relevant with development of market practice and regulations.

This statement outlines the governance framework of the Company including a summary of its corporate governance practices throughout the financial year ended 31 December 2019 (“FYE 2019”) with reference to the Malaysian Code on Corporate Governance (“MCCG”), where appropriate and where applicable, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This statement should be read in conjunction with the Corporate Governance Report (“CG Report”) which is prepared based on the format prescribed by Bursa Securities. The CG Report provides the details on how the Company has applied the material aspects with principles set out in the MCCG during the financial year under review. The explanations on the departures and measures taken or to be taken by the Company to adopt the departed practices are stipulated in the CG Report. The CG Report is available at <https://www.starmediagroup.my/investors-relations/corporate-governance-report/>, as well as via an announcement on Bursa Malaysia Berhad’s website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Group is headed by an experienced and effective Board. The Board has the overall responsibility in leading and determining the Group’s strategic direction. The responsibilities of the Board include formulating and reviewing the Group’s strategic plans and annual business plans of the operating units and ensuring the necessary resources and capabilities are in place to deliver its strategic aims and objectives.

In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board, individual Directors, Board Committees and delegated day-to-day management of the Group to the Group Chief Executive Officer (“Group CEO”). The Board Charter is reviewed from time to time and updated regularly to ensure that it remains relevant to the Company’s objectives and in line with the best practices recommended in the MCCG. The Board Charter can be found at the Company’s website: <https://cdn.starmediagroup.my/board-charter/Star-Board-Charter.pdf>.

The Board is currently supported by three (3) Board Committees, namely Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) which operate within clearly defined Terms of Reference (“TOR”). Each Board Committee will review, report and make recommendation to the Board during Board Meeting on matters relevant to their roles and responsibilities. The minutes of the Board Committee Meetings are tabled at the quarterly Board Meetings to keep the Board informed of the salient issues discussed.

Company Secretary

The Board members have full access to the Company Secretary whom is qualified to act as Company Secretary under the Companies Act 2016 (“CA 2016”), who provides advisory services to the Board, particularly on governance and compliance to the relevant laws, rules and regulations.

Code of Conduct and Ethics and Anti-Corruption Policy

The Company has in place the Code of Conduct and Ethics (“Code”) for Directors and employees that reflects the Company’s core values and culture. The Code set forth the relevant guidelines in dealing with employees, customers and business associates, work environment, company assets, conflict of interest and etc. Besides, the relevant policies guiding the practices and governance are in place and are updated whenever necessary to ensure they remain relevant to the Group processes and comply to regulations.

In addition, the Board took cognisance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC 2009”) which will come into force on 1 June 2020 and acknowledged the importance of lawful and ethical behaviour in all its business activities. In order to achieve and maintain the highest standard of integrity and work ethics in the conduct of its businesses and operations as well as complying with all applicable laws including the MACC 2009, the Group will establish an anti-corruption policy and put in place adequate procedures to prevent corruption cases from occurring. The relevant trainings will also be provided to Directors, management and staff across the Group to ensure they are aware and understand the said Act as well as signing the pledge to ensure they are committed to the policy.

Whistleblowing Policy

The Company also has in place a Whistleblowing Policy which is important to enable exposure of violations or improper conduct or wrongdoing within the Group.

The Whistleblowing Policy forms an important part of effective risk management and internal control systems.

II. BOARD COMPOSITION

The Board, as at the date of this statement, consists of seven (7) members, comprising five (5) Independent Non-Executive Directors, including the Chairman and two (2) Non-Independent Non-Executive Directors. Its composition comprises majority Independent Non-Executive Directors who account for more than half of the members on the Board.

The Board is of the view that the existing board size, structure and composition of the Board remain adequate to facilitate effective and objective decision making given the scope and nature of the Group’s businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors which is reflected in the diversity of backgrounds and competencies of the Directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The profile of each member of the Board is presented on pages 26 to 29 of this Annual Report.

The Board through the NC carried out an annual assessment on the effectiveness of the Board, the individual Directors and Board Committees as well as independence of the Independent Directors. In assessing the independence of an Independent Director, the NC took into account the criteria set out in the Listing Requirements, MCCG as well as other criteria applied by the Company.

None of the tenure of an Independent Director exceeds a cumulative nine (9) years from his/her appointment date to the Board and therefore would be able to function as a check and balance and bring an element of objective to the Board.

In early 2020, the NC had conducted the Board Effectiveness Annual Evaluation internally and facilitated by the Company Secretary. Based on the results of the assessment carried out for the FYE 2019, the Board was satisfied that the size and its composition are optimum with appropriate mix of knowledge, skills, attributes and core competencies. The Board has been able to discharge its duties professionally and effectively in consideration of the scale and breath of the operations. The Directors had also committed the time necessary to responsibly fulfil their commitment to the Company and the Group during the year.

Access to Information and Advice

In discharging their duties, all Directors have full and unrestricted access to all information pertaining to the Group’s business affairs, whether as a full Board or in their individual capacity. There are matters specifically reserved for the Board’s decision to ensure that the direction and control of the Group is firmly in its hands.

Procedures have been established for timely dissemination of the agenda papers to the Directors in advance of the scheduled meetings to allow Directors to study and evaluate the matters to be discussed. The Company leverages on information technology for effective dissemination of information to the Board and Board Committees. Notice of meeting is sent to Directors at least fourteen (14) days before the meeting. Meanwhile, the detailed agenda papers in electronic format are sent to the Directors at least five (5) business days prior to the meeting; specifying relevant actions required from the Board during the meeting, either for notation or approval for proposal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

This will enable Directors to review, consider, and if necessary, obtain further information or research on the matters to be deliberated in order to be well prepared for the meetings, thereby enabling informed decisions to be made. The Directors also may, if necessary, obtain independent professional advice from external consultants at the Company's expense, with consents from the Chairman or the Committee Chairman, as the case may be. Senior Management is invited to join the meetings to brief the Board on the requisite information on matters being discussed, where necessary.

Meetings of the Board and Board Committees

The Board will meet at least five (5) times annually, with additional meetings to be convened when necessary to review the financial, operational and business performances of the Company and the Group. Meeting dates for each financial year are scheduled before the end of the preceding financial year. Ad hoc meetings are normally held to consider and deliberate urgent proposals or matters that require the expeditious direction of the Board.

Directors are allowed to participate in Board and Board Committees meetings via video and tele-conferencing. All minutes of the meetings are properly kept by the Company Secretary.

During the year under review, the Board held seven (7) meetings consisting four (4) scheduled Board Meetings and three (3) Special Board Meetings.

The details of the attendance are set out below:

DIRECTOR	NUMBER OF BOARD MEETINGS ATTENDED / HELD	PERCENTAGE OF ATTENDANCE (%)
Dato' Fu Ah Kiow (Chairman) Chairman, Independent Non-Executive Director	7/7	100
Tan Sri Dato' Sri Kuan Peng Soon Deputy Chairman, Non-Independent Non-Executive Director	7/7	100
Dato' Dr. Mohd Aminuddin bin Mohd Rouse Non-Independent Non-Executive Director	6/7	86
Mr. Choong Tuck Oon Independent Non-Executive Director	6/7	86
Madam Wong You Fong Independent Non-Executive Director	7/7	100
Mr. Chan Seng Fatt Independent Non-Executive Director	7/7	100
Mr. Loh Chee Can Independent Non-Executive Director (Appointed on 3 January 2019)	7/7	100

Board Committees

The Board delegates specific responsibilities to the respective Committees of the Board. The Board Committees work according to their respective TOR. The TOR are reviewed by the Board from time to time to ensure that they are relevant and updated in line with the best practices of the MCCG and other related policies or regulatory requirements. The TOR of the Board Committees are available at <https://starmediagroup.my/terms-of-reference/>.

The Board Committees have the authority to examine particular issues and report to the Board on their proceedings and deliberations together with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

a) AC

The AC assists the Board in its oversight of the Company's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal control function, risk management system, financial and accounting records and policies as well as related party transactions that may arise within the Group. The AC is also responsible for assessing the independence of both the external and internal audit functions by providing direction to and overseeing these functions on behalf of the Board.

The AC Report is presented on pages 47 to 50 of this Annual Report.

b) NC

The NC assists the Board in identifying and evaluating suitable candidates to fill board vacancies and key management positions as and when they arise, assessing the effectiveness of the Board and contribution of each Director annually as well as reviewing the succession planning for the Board and key management personnel of the Group.

The NC also reviews its own performance, constitution and TOR to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the Board for approval.

Composition and Meetings

The NC consisted of three (3) members, all of whom are Non-Executive Directors, with a majority of them being independent directors.

The NC meets as and when required, at least once annually. During the FYE 2019, the NC met once and the meeting attendance is as follows:

DIRECTOR	NUMBER OF MEETINGS ATTENDED / HELD	PERCENTAGE OF ATTENDANCE (%)
Tan Sri Dato' Sri Kuan Peng Soon (Chairman) Non-Independent Non-Executive Director	1/1	100
Madam Wong You Fong Independent Non-Executive Director	0/1	0
Mr. Choong Tuck Oon Independent Non-Executive Director (Ceased to be a member on 26 February 2019)	1/1	100
Mr. Chan Seng Fatt Independent Non-Executive Director (Appointed as a member on 26 February 2019)	N/A*	N/A*

Note:

* Mr. Chan Seng Fatt was appointed as a member after the NC meeting held on 14 February 2019.

All proceedings of the NC meetings are properly recorded by the Company Secretary. Minutes of the NC meetings are tabled for confirmation at the next NC meeting and subsequently presented to the Board for notation. At the Board meetings, the Chairman of the NC would provide a report, highlighting pertinent issues, significant points of decisions and recommendations made by the NC to the Board for approval.

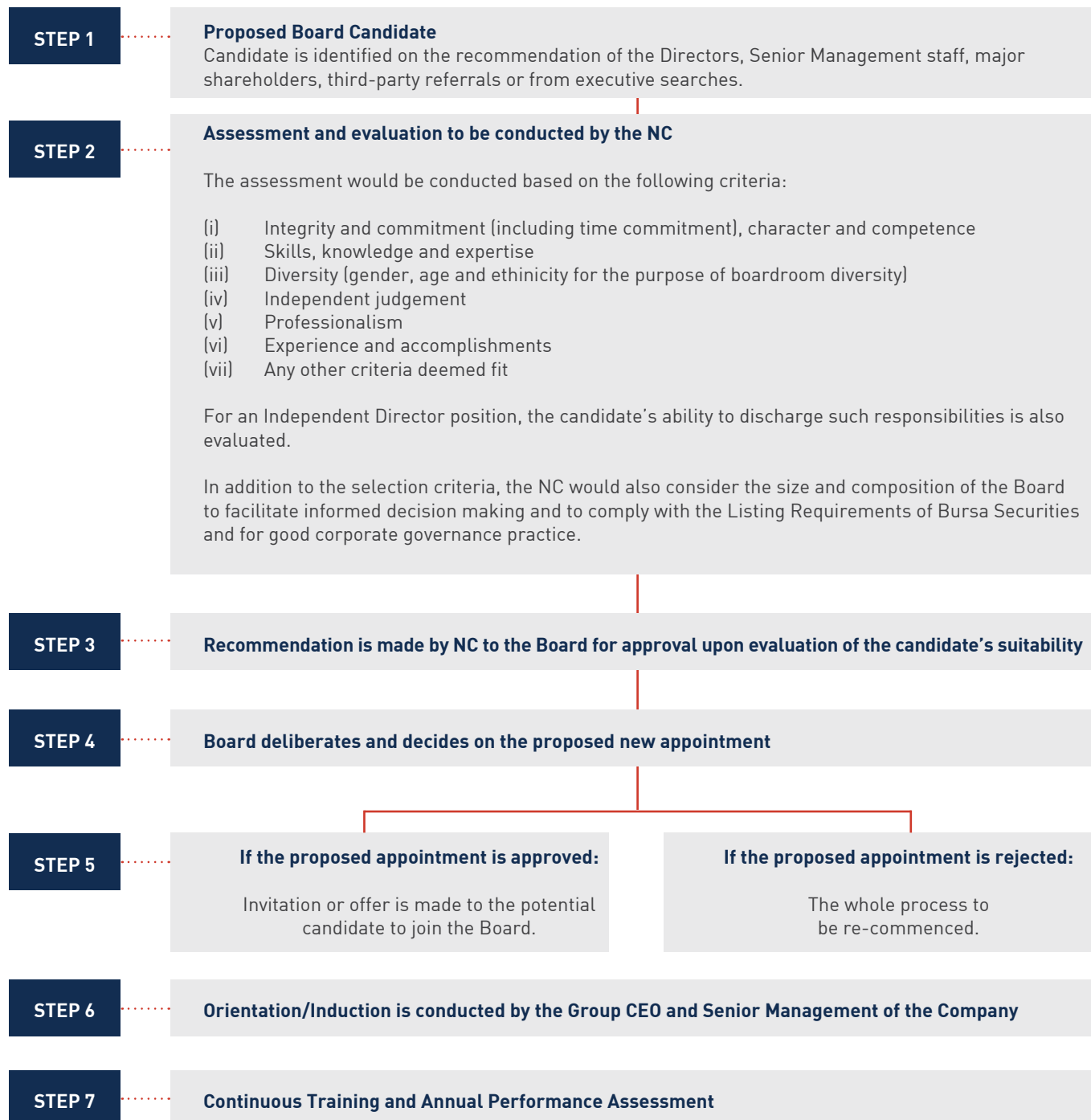
CORPORATE GOVERNANCE

OVERVIEW STATEMENT (cont'd)

Board Appointment Process

The Company is committed to maintaining a transparent process for the appointment of new Directors. The NC is responsible for assessing a potential candidate for a proposed directorship and submitting its recommendation to the Board for decision.

The table below demonstrates the procedures on appointing a new Director:



Diversity

The Board recognises the importance to establish a diverse Board and Management team in terms of skills, experience, age, gender and cultural background within the Group to ensure balanced and effective decision making to improve the overall Group performance. However, the Board decided not to set specific targets just to fill the quota of women representation on board. The Board is of the view that the selection criteria of a Director based on effective blend of competencies, skills, experience and knowledge in areas identified by the Board, should remain a priority, not compromising on qualification, experience and capabilities.

Currently, the Board has one (1) female Independent Non-Executive Director, which represents 14% of the current board size. The Board endeavours that suitably qualified women candidates will be sought and included in the pool of candidates for evaluation in respect of new appointments to the Board.

The Board also values diversity not only at the Board level but also at the operational level throughout the Group for better decision making and competitive advantage. Half of the Senior Management positions of the Group are held by women. The strong female representation at the Management level may serve to form the pipeline of candidates potentially available for directorships.

Summary of Activities

In 2019, the NC had carried out the activities as per its TOR, with particular focus on the following:

- (i) Reviewed the Directors' and Board's evaluation process and the results/findings of the performance evaluation.
- (ii) Reviewed the terms of office and performance of all the Board Committees including the AC and each of its members in discharging their duties and responsibilities in accordance with the respective TOR.
- (iii) Reviewed the performance evaluation of key management personnel.
- (iv) Recommended the re-election of Directors at the Annual General Meeting ("AGM") to the Board for consideration.
- (v) Reviewed and recommended to the Board for approval, the appointment of Independent Non-Executive Director during the year.
- (vi) Reviewed and recommended the appointment of key management personnel to the Board for consideration.
- (vii) Reviewed the performance targets – Balance Scorecard Matrix and recommended the same for Board's approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

c) RC

The RC's main responsibility is to review and recommend to the Board the framework on the terms of remuneration package in all its form for the Executive Director and key management personnel of the Group and fees payable to the Non-Executive Directors. The TOR of the RC sets out the authority, duties and responsibilities of the RC.

The Company through Star's group wide Directors' and Officers' Liability Insurance maintains coverage throughout the financial year to indemnify Directors and key officers against any liabilities incurred by them in the discharge of their duties while holding office as the Directors and officers of the Company. All the Directors and officers contribute their portion of the premium payment for this policy.

Composition and Meetings

The RC consisted of four (4) members, all of whom are Non-Executive Directors.

The RC meets as and when required, at least once annually. During the FYE 2019, the RC met once and the meeting attendance is as follows:

DIRECTOR	NUMBER OF MEETINGS ATTENDED / HELD	PERCENTAGE OF ATTENDANCE (%)
Dato' Fu Ah Kiow (Chairman) Independent Non-Executive Director	1/1	100
Tan Sri Dato' Sri Kuan Peng Soon Non-Independent Non-Executive Director	1/1	100
Dato' Dr. Mohd Aminuddin bin Mohd Rouse Non-Independent Non-Executive Director	1/1	100
Mr. Choong Tuck Oon Independent Non-Executive Director (Appointed as a member on 26 February 2019)	N/A*	N/A*

Note:

* Mr. Choong Tuck Oon was appointed as a member after the RC meeting held on 14 February 2019.

DIRECTORS' TRAINING AND DEVELOPMENT

The Board recognises the importance of continuous education for its Directors to ensure that they are equipped with the necessary skills and knowledge to discharge their duties effectively.

All new Directors appointed to the Board receive a formal induction programme organised by Group CEO and Senior Management to familiarise themselves with the Group's business operations, strategies, financial performance and organisation structure. The programme includes site visits to the Company's printing plant at Bukit Jelutong and Radio Office.

The Company Secretary will normally arrange for the Directors' attendance at the training programmes which are conducted either in-house or by external parties and keep a record of the trainings received by the Directors.

DIRECTORS' TRAINING AND DEVELOPMENT (Cont'd)

The trainings/workshops/conferences/seminars attended by the Directors during the FYE 2019 are as follows:

DIRECTOR	TRAINING PROGRAMME/CONFERENCES/SEMINARS/WORKSHOP
Dato' Fu Ah Kiow	<ul style="list-style-type: none"> Briefing on 2020 Budget Highlights Malaysia-China Outlook Forum
Tan Sri Dato' Sri Kuan Peng Soon	<ul style="list-style-type: none"> Briefing on 2020 Budget Highlights
Dato' Dr. Mohd Aminuddin Bin Mohd Rouse	<ul style="list-style-type: none"> Revisiting the Misconception of Board Remuneration Demystifying the Diversity Conundrum: The Road to Business Excellence Briefing on 2020 Budget Highlights
Mr. Choong Tuck Oon	<ul style="list-style-type: none"> Recent Developments in Digital and Analytics: A Regional Perspective Blockchain in Financial Services Reading the Signs: The Next Financial Crisis and Potential Impact on Asia International Financial Reporting Standards (IFRS) 17 Rethinking Strategy Masterclass Cybersecurity Leadership Greatness in Turbulent Times: Building Corporate Longevity Key Aspects of Fintech and Regulation ICDM International Directors Summit Leadership in a Disruptive World Technology Day SCxSC Fintech Conference Singapore Fintech Festival Briefing on 2020 Budget Highlights
Madam Wong You Fong	<ul style="list-style-type: none"> Briefing on 2020 Budget Highlights
Mr. Chan Seng Fatt	<ul style="list-style-type: none"> Economy Outlook and Investment Opportunities in a crisis Malaysia-China Outlook Forum Corporate Liability Amendment Act 2018 Audit Committee Session Briefing on 2020 Budget Highlights
Mr. Loh Chee Can	<ul style="list-style-type: none"> Mandatory Accreditation Programme BIGIT 2019 - the 7th Annual Data Science Conference & Exhibition in KL Briefing on 2020 Budget Highlights

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

III. REMUNERATION

The Board has established a formal and transparent remuneration policy for the Board and Board Committees. The Board also recognises that a comprehensive and fair remuneration package should be in place to retain and attract Senior Management. In this regard, RC is responsible to formulate and review the remuneration policies and packages for the Directors as well as Senior Management from time to time to ensure that they remain competitive, appropriate and commensurate with their experience, skills and responsibilities.

The details of aggregate remuneration of Directors for the FYE 2019 are as follows:

DIRECTORS	COMPANY			SUBSIDIARIES	
	FEES	BENEFITS-IN-KIND AND ALLOWANCES	COMPANY TOTAL	ALLOWANCES	GROUP TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Fu Ah Kiow	250	103	353	-	353
Tan Sri Dato' Sri Kuan Peng Soon	75	48	123	-	123
Dato' Dr. Mohd Aminuddin Bin Mohd Rouse	75	88	163	72	235
Mr. Choong Tuck Oon	75	54	129	-	129
Madam Wong You Fong	75	23	98	-	98
Mr. Chan Seng Fatt	75	62	137	-	137
Mr. Loh Chee Can (Appointed on 3 January 2019)	75	34	109	-	109
TOTAL	700	412	1,112	72	1,184

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

The AC of the Company comprises majority of Independent Non-Executive Directors as stipulated in page 48 of the Annual Report. The Chairman of the AC is not the Chairman of the Board.

The AC of the Company possess a wide range of necessary skills to discharge their duties effectively. All members are financially literate and are able to understand matters under the purview of the AC including the financial reporting standards. The members had attended relevant professional trainings during the year and will continue to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. The AC is also appraised of developments in accounting and auditing standards by the external auditors impacting the Company and the Group periodically.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is fully committed to maintaining a sound system and framework of risk management and internal controls. The Board, through the AC, is responsible to review the adequacy of the Group's risk management framework to ensure viable and robust risk management and internal controls are in place. The Board did not establish a Risk Management Committee as the Board believes the current AC is able to contribute to the Group's risk management framework and policies without significantly impairing their other responsibilities.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on pages 44 to 46.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I. COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Company ensures that its communication with the shareholders and other stakeholders is transparent, timely and with quality disclosure. Dialogues and discussions with investors and analysts are conducted within the framework of the relevant Corporate Disclosure Guide under the Listing Requirements of Bursa Securities and comply with the Best Practices in Corporate Disclosure published by the Malaysian Institute of Chartered Secretaries and Administrators.

Whilst the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of ensuring all shareholders are treated fairly and equitably. In order to ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information about the Group will not be disclosed on an individual or selective basis to any person unless otherwise required by law.

II. CONDUCT OF GENERAL MEETINGS

At the 47th AGM of the Company held on 15 May 2019, all members of the Board were present at the meeting to engage directly with the shareholders. The Chairman of the Board chaired the 47th AGM in an orderly manner and presented to the meeting the operational and financials overview of the Group. The Key Management Team were also present to respond to any enquiries from the shareholders.

Pursuant to Paragraph 8.29A of Listing Requirements of Bursa Malaysia, each resolution to be tabled at the general meeting is to be voted by poll. The voting at the 47th AGM was conducted through an electronic voting system. The Company has engaged an independent scrutineer to validate the votes cast at the meeting. Votes cast for and against and the respective percentages, on each resolution are displayed "live" to shareholders after the poll is conducted for all resolutions put to vote at the meeting. The outcome of the general meeting is announced by the Company on the same day to Bursa Securities.

The Company Secretary prepares the minutes of the general meetings, which incorporate substantial comments and/or queries from shareholders, responses from the Board and Management. The minutes is published on the Company's website as soon as practicable upon reviewed by the Board Members and approved by the Chairman.

Directors' Responsibility Statement in respect of Financial Statements

The Directors are required by the CA 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the CA 2016 in Malaysia.

The Directors consider that in preparing the financial statements, the Group and the Company have used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors are satisfied that the information contained in the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results of and cash flows of the Group and the Company for the financial year.

The Directors are responsible for ensuring that the accounting and other records and registers required by the CA 2016 to be retained by the Group and the Company have been properly kept in accordance with the provisions of the said CA 2016.

The Directors are also responsible for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Compliance Statement

The Board has deliberated, reviewed and approved this statement and is satisfied that the Group has fulfilled its obligations under the relevant paragraphs of the Listing Requirements of Bursa Securities and MCGG.

This CG Overview Statement was approved by the Board on 27 February 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

During the financial year under review, Star Media Group Berhad (“Star” or “Company”) and its subsidiaries (“Group”) continued to enhance its system of internal control and risk management, to comply with the applicable provision of the Malaysian Code on Corporate Governance and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Paragraph 15.26(b) of the Listing Requirements of Bursa Securities requires the Board of Directors of a public listed company to include in its annual report a statement on the state of internal control of the listed issuer as a group. The Bursa Securities’ *Statement on Risk Management & Internal Control (Guidelines for Directors of Listed Issuers)* provides guidance for compliance with these requirements.

Internal control is broadly defined as a process, effected by an entity’s Board of Directors, Management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Reliability and integrity of financial and operational information.
- Compliance with applicable laws, regulations and contracts.

Set out below is the Board’s Statement on Internal Control and Risk Management Practices.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound internal controls and risk management practices to safeguard various stakeholders’ interest and to address all key risks which the Board considers relevant and material to its operations. The Board affirms its overall responsibility for the Group’s systems of internal controls which includes the establishment of an appropriate control environment and framework. The Board is also responsible for reviewing the effectiveness, adequacy and integrity of those systems. These systems are designed to manage rather than to eliminate, the risks that may impact the Group arising from non-achievement of the Group’s policies, goals and objectives. Such system provides reasonable but not absolute, assurance against material misstatement or loss.

At the helm of the Group, the Board is ultimately responsible for the overall management of the risks and internal controls. The Audit Committee, under the purview of the Board, maintains the responsibility for risk and control oversight within the Group. The Audit Committee will be assisted by the Risk Management Committee (“RMC”), whose members consist of key management personnel.

While the Board and Audit Committee provide oversight, the responsibility for managing risks and internal controls appropriately lies with Senior Management through the following activities:

- Providing leadership and direction to departments and business units;
- Providing oversight responsibilities of reviewing financial information and assessing the effectiveness of the Group’s internal control environment;
- Understanding and providing feedback on the risk and internal control issues highlighted at the quarterly RMC meetings;
- Understanding the inherent risks in each business platform;
- Implementing Risk Management Framework by understanding the risk measurement, monitoring and mitigation strategy adopted, as well as the impact of on-going action plans to meet objectives; and
- Assessing the performance and level of internal controls of operating companies within the Group.

RISK MANAGEMENT FRAMEWORK

The Board undertook to review the risk management processes in place within the Group with the assistance of the RMC, the Head of Enterprise Risk Management and the Internal Audit Department.

The Board has delegated the responsibility of reviewing the risk management processes and ensuring the effectiveness of the Risk Management Framework to the RMC. The RMC is tasked with ensuring the effectiveness of risk management policies and procedures; reviewing risk exposures and ensuring that the necessary support systems are in place for risk management activities.

The RMC meets on a quarterly basis to deliberate on risks identified, controls and risk mitigation strategies arising from the risk assessment process conducted. From there, the Board will be provided with the updates.

When managing risks, the following will be used as a guide:

- Risks are accepted and managed to a certain extent, but cannot be eliminated;
- Risks should be aligned with, and driven by business values and objectives;
- Risks ownership lies with the respective chiefs of the business platforms and Heads of Department of the Business Departments/ Units; and
- Material risks must be highlighted with the view of developing the necessary risks controls and mitigation processes.

RISK MANAGEMENT UNIT

The Enterprise Risk Management ("ERM") unit assists the Board and the RMC in carrying out their risk management responsibilities. The ERM is designed to provide sufficient support at both the Company level and Group level.

ERM is mainly responsible for the following:

- Maintaining a register of risk for the Group;
- Assessing, improving and monitoring the Risk Management Framework including risk policies and standards;
- Providing guidance to the divisions in the development of appropriate and effective response strategies and contingency plans to manage and mitigate material risks;
- Issuing risk reports to the Board and Management; and
- Reviewing key corporate activities that are considered significant from a Group risk perspective.

RISK MANAGEMENT PROCESS

The Board is committed to maintain a strong control structure and environment for the proper conduct of the Group's business operations.

There is a structured risk management process in place, ensuring that significant risks are identified and treated accordingly. The ERM unit is a unit that is responsible in coordinating risk review exercises and preparing quarterly reports on the Group's risk management activities, which include financial, operational, information technology, printing & broadcasting management and risk management systems.

The key elements of the Group's risk management process are as follows:

- The RMC includes key management personnels from the relevant business and support functions and Internal Audit. The Committee is entrusted with the responsibility to identify and communicate to the Board the key risks the Group faces, their changes, and the management actions and plans to manage the risks.
- A Risk Management Manual, which outlines the corporate policy and framework on risk management for the Group and offers practical guidance on risk management issues.
- A database of identified risks and controls in the form of a Risk Register, which is periodically reviewed and reported to the Board. The Risk Register is reviewed from time to time or as and when necessary. The identified risks are appropriately communicated to Management and Heads of Department.
- Ownership of the Risk Register also lies with the chiefs of the business platforms and Heads of Department to constantly manage the risks and to highlight any concerns or new risks to the Head of ERM.

To embed the risk management process within the culture of the Group, the following steps are incorporated in the risk management process:

- Embedding internal control further into the operations of the business through the installation of a process of risk and control self-assessment.
- Regular updates on risk management from the Heads of Business Department and supporting function to the RMC.
- Drive a proactive risk management culture and ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture.
- Risk awareness and coaching sessions are conducted at the operational level to promote the understanding of risk management principles and practices across different functions within the Group.
- Quarterly review by the Audit Committee on the adequacy and integrity of the system of internal control and risk management process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

INTERNAL AUDIT FUNCTION

The Internal Audit Department operates within the framework stated in its Internal Audit Charter which is approved by the Audit Committee. The Internal Audit Department provides the Board with independent opinions of processes, risk exposures and systems of internal controls of the Group.

Internal Audit Department independently reviews the risk identification procedures and control processes, and reports to the Audit Committee on a quarterly basis. The Audit Committee reviews and evaluates the key concerns raised by Internal Audit Department and ensures that appropriate and prompt remedial action is taken by management.

Internal Audit Department also reviews the internal controls in the key activities of the Group's business and a detailed annual internal audit plan is presented to the Audit Committee for approval. Internal Audit Department adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business functions of the Group. The Audit Committee reviews the risk monitoring and compliance procedures to obtain the level of assurance required by the Board. The Audit Committee presents its findings to the Board on a quarterly basis or earlier as appropriate. Further details on the activities of the Internal Audit Department are set out in the Audit Committee Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

Apart from the above, the other key elements of the Group's internal control systems include:

(a) Policies, Procedures and Limits of Authority

- Clearly documented internal policies, standards and procedures are in place and regularly updated to reflect and enhance operational efficiency. Cases of non-compliance to policies and procedures are reported to the Board and Audit Committee.
- Clearly defined delegation of responsibilities to Committees of the Board and Management including organisation structures and appropriate authority levels.

(b) Strategic Business Planning, Budgeting and Reporting

- Regular and comprehensive information provided to Management for monitoring of performance against strategic plans covering all key financial and operational indicators.
- Detailed budgeting process requiring all business units to review their budgets periodically. The budgets are discussed and approved by the top Management headed by the Group Chief Executive Officer ("GCEO").
- The Group Chief Financial Officer ("GCFO") provides the Board with quarterly financial information. Effective reporting system exposes significant variances against budget. Key variances are followed up by Management and reported to the Board.

(c) Risk Assessment

- The GCEO, with the input from the RMC, reviews with the Board significant changes in internal and external environment, which affects the Group's risk profile.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment.

During the financial year ended 31 December 2019, based on the internal controls established and maintained by the Group, work performed by the Internal and External Auditors and reviews performed by Management and various Board Committees and assurance from the GCEO and GCFO, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management and internal control systems were adequate and effective to address financial, operational and compliance risks, which are relevant and material to the Group's operations. The Group will carry out continuous reviews on the control procedures to ensure that effective and adequate system of internal control is consistently in place to safeguard shareholders' investment and Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the financial year ended 31 December 2019. Their review is performed in accordance with Audit Assurance and Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. The External Auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control for the Group.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement was approved by the Board on 27 February 2020.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of Star Media Group Berhad (“the Company”) is pleased to present the AC Report for the financial year ended 31 December 2019.

The AC is delegated with the authority from the Board to provide independent oversight of the Group’s financial reporting, internal control systems and risk management, and the adequacy of the external and internal audits. The AC is provided with sufficient resources to perform its duties including support, as necessary, from the Internal Audit Department (“IAD”), the Risk Management Function and the External Auditor, and Management in examining all matters relating to the Group’s adopted accounting policies and practices, and in reviewing all material financial, operational and compliance controls. The AC’s Terms of Reference are available on the Company’s website.

1. COMPOSITION

The AC comprises four (4) Non-Executive Directors with majority of them being independent directors pursuant to Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The existing members of AC are listed on page 48 of the Annual Report. Their names and profiles are set out in the Corporate Information and Profiles of Directors section of this Annual Report. None of the AC members are employed by or otherwise affiliated with the External Auditors.

As part of the annual Board evaluation, all members of the AC completed an evaluation of the Committee. This concluded that the members of the AC possess the appropriate and relevant skills, knowledge and experience they need to fulfil their duties effectively and the performance of the Committee was consistently strong, with a clear and well-defined remit and agenda. Over the year, the Committee continued to focus on particular topics within the Company’s risk management programme and emerging trends, including cyber security risks. Summary of activities of the Committee during the year can be found on pages 48 to 49 of this Annual Report.

During the financial year, the AC members had attended the relevant training programmes and seminars organised by the relevant regulatory authorities and professional bodies to further enhance their knowledge and professionalism in discharging their duties. Details of the trainings and seminars attended by the members are set out in the Corporate Governance Overview Statement of this Annual Report.

AUDIT COMMITTEE REPORT (cont'd)

2. MEETINGS

The AC meetings for the whole year are scheduled in advance of each financial year so as to enable AC members to plan ahead and ensure that the meetings are booked into their respective schedules.

The AC meetings are normally held every quarter with additional meetings to be convened as and when necessary. The AC held five (5) meetings during the year. The Group Chief Executive Officer and the relevant Senior Management as well as representatives of the Internal and External Auditors attended the meetings upon invitation. The attendance record of its members are as follows:

DIRECTOR	NUMBER OF MEETINGS ATTENDED / HELD	PERCENTAGE OF ATTENDANCE (%)
Mr. Chan Seng Fatt (Chairman) Independent Non-Executive Director	5/5	100
Mr. Choong Tuck Oon Independent Non-Executive Director	5/5	100
Dato' Dr. Mohd Aminuddin bin Mohd Rouse Non-Independent Non-Executive Director	5/5	100
Mr. Loh Chee Can Independent Non-Executive Director <i>(Appointed on 26 February 2019)</i>	4/4	100

All proceedings of the AC meetings are duly recorded in the minutes. Minutes of the AC meetings are tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. At the Board Meetings, the Chairman of the AC would provide a report, highlighting pertinent issues, significant points of decisions and recommendations made by the AC to the Board for approval.

Terms of Reference ("TOR")

The TOR of the AC set out the authority, duties and responsibilities of the AC. The TOR of the AC is accessible for reference on the Company's website at www.starmediagroup.my/terms-of-reference.

Summary of Activities

During the financial year 2019, the AC had carried out the following key activities:

(i) Financial Reporting

- Reviewed the quarterly financial results of the Group including the draft announcements pertaining thereto, to ensure compliance to the Listing Requirements of Bursa Securities, the applicable financial reporting standards as well as other relevant legal and regulatory requirements, prior to recommending the same to the Board for approval.
- Reviewed the audited financial statements for the year under review prior to the approval by the Board to ensure it presented a true and fair view of the Company's financial position and performance for the year and is in compliance with regulatory requirements.

(ii) Internal Audit and Risk Management

- (a) Reviewed and approved the Internal Audit Plan which outlines the audit strategy and approach for financial year ended 31 December 2019 to ensure adequacy of the scope, resources, competencies and coverage of areas to be audited. The Internal Audit Plan for the Group was prepared by making reference to the Risk Register provided by the Head of Enterprise Risk Management.
- (b) Reviewed and deliberated on the Internal Audit Reports on the adequacy, effectiveness and efficiency of operational, compliance and governance processes across the Company and Group. Where appropriate, the AC advised Management to rectify and improve the control system based on the Internal Audit's recommendations and agreed remedial actions for improvements.
- (c) Monitored the implementation of Management action plan on outstanding issues to ensure that all key risks and control weaknesses are properly addressed.
- (d) Reviewed the adequacy and effectiveness of the Group's Risk Management system, key strategy risks for the Group and risk management reports which covered the process for identifying, evaluating and managing business risks.
- (e) Met with the Head of Internal Audit without the presence of the Management twice during the year under review to obtain feedback on the audit activities, audit findings and any other related matters.
- (f) Reviewed the performance, adequacy, scope, resources and competency of the Head of Internal Audit Department and Risk Management function to ensure they discharge their duties effectively.

(iii) External Audit

- (a) Reviewed the External Auditor's annual audit plan for the Group, outlining among others, the audit approach, materiality and performance materiality and areas of significant auditors' attention. Considered and approved the External Auditors' confirmation of their independence.
- (b) Reviewed the audit results, key audit matters and Management's responses to the audit findings.
- (c) Reviewed the audit fees of the External Auditors for recommendation to the Board for approval.

- (d) Reviewed the non-audit fees incurred for the services rendered to the Company and the Group. The non-audit fees did not exceed 50% of the proposed audit fees for BDO PLT and these are compatible with the applicable independent rules and standards for the auditors.
- (e) Met with the External Auditors without the presence of the Management twice during the year under review to discuss any issues arising from the audits and ensure there was no restriction placed on the External Auditor's scope.
- (f) Considered the re-appointment of External Auditors, taking into consideration their independence, objectivity and cost effectiveness of the audit which covered quality of services provided, sufficiency of experience and resources, audit scope and planning, communication and interaction.

The AC was satisfied with BDO PLT's work, its independence, and its objectivity, and therefore recommended the re-appointment of BDO PLT (which has indicated its willingness to continue in office) as the Group's External Auditor for the financial year ended 31 December 2019.

(iv) Other activities

- (a) Reviewed the related party transactions and recurrent related party transactions ("RRPT") quarterly during the year under review to ensure compliance with the Listing Requirements of Bursa Securities.
- (b) Reviewed and recommended to the Board for approval, the Corporate Governance Overview Statement, Corporate Governance Report, AC Report, Statement on Risk Management and Internal Control and Sustainability Statement for inclusion in the Annual Report.
- (c) Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into RRPT of revenue or trading nature with related party.
- (d) Discussed proposed action on the preparation of anti-corruption framework pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

AUDIT COMMITTEE REPORT (cont'd)

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Company is performed by in-house IAD. The Group's IAD supports the AC and the Board in discharging its duties and responsibilities by providing an independent and objective assessment on the adequacy and effectiveness of internal control and governance processes/framework of the Group.

The Internal Audit function is independent of the activities or operations of other operating units. In order to maintain independence from Management and operations, the in-house Internal Auditor reports directly to the AC.

The internal audit function is guided by the Group Internal Audit Charter, which sets out its purpose, authority, scope, independence and responsibilities.

Head of Internal Audit has unfettered access to the AC, the Board and the Management. The AC has full access to Internal Audit and holds periodic private session with the Head of Internal Audit without the Management presence to allow Internal Audit to give unreserved comments or opinions on issues arising from the audit.

The principal role of the Department is to undertake independent regular and systematic reviews of the systems of internal controls to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the IAD to provide the AC with independent and objective reports on the state of internal controls of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures.

Internal Audit performs independent audits on diverse areas within the Group. During the financial year 2019, the Internal Auditors conducted audit reviews on significant aspects and operations of the Company and Group. The audit review covered overall governance, operational controls, and financial related activities and other auditable areas in accordance with the risk profile of the Group. The Internal Auditors also conducted follow-up audit to ensure the agreed audit recommendations were implemented appropriately. Review of the related party transactions and RRPT were also carried out half yearly to provide assurance to the Board that the transactions carried out between the related parties adhered to the policies and procedures and conformed to the requirements of Bursa Securities.

The relevant audit reports were presented to the AC for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

The total costs incurred for the in-house internal audit function in 2019 amounted to RM775,000.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

On 12 July 2017, Laviani Pte Ltd, a wholly-owned subsidiary of Star Media Group Berhad had disposed 128,458,590 ordinary shares in Cityneon Holdings Limited ("Cityneon"), representing approximately 52.51% equity interest in Cityneon to Lucrum 1 Investment Limited for a total consideration of SGD115,612,731 (equivalent to approximately RM360,179,902).

On 1 August 2019, the Company announced to vary the proposed utilisation of the remaining balance of RM152.5 million by re-allocating RM86.0 million for working capital purposes and the remaining RM66.5 million for future investments' requirement.

A summary of the utilisation of the proceeds as at 31 December 2019 is tabled below:

PURPOSES	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION RM'000	REMAINING BALANCE RM'000	EXPECTED TIMEFRAME FOR UTILISATION
Future investments	66,500	-	66,500	Within 24 months
General working capital	86,000	(74,934)	11,066	Within 24 months
Total	152,500	(74,934)	77,566	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to External Auditors, BDO PLT and its affiliated companies by the Company and Group respectively for the financial year ended 31 December 2019 are as follows:

	GROUP RM'000	COMPANY RM'000
- Audit fees	366	244
- Non-audit fees	142	35
Total	508	279

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2019 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

At the 47th Annual General Meeting held on 15 May 2019, the Company had obtained a shareholders' mandate on RRPT entered into by the Company and/or its subsidiaries as set out in the Circular to Shareholders dated 23 April 2019.

The RRPTs conducted during the financial year ended 31 December 2019 pursuant to the said mandate are disclosed in pages 179 to 181 in this Annual Report.

FY2019 AWARDS

01

ASIAN MEDIA AWARDS 2019

Best Newspaper Feature Article

- R.AGE (Gold)

Best Newspaper Feature Article

- R.AGE (Silver)

Best In Community Service

- R.AGE



02

ASIAN DIGITAL MEDIA AWARDS 2019

Best Digital Project To Engage Younger And/Or Millennial Audiences

- R.AGE (Gold)

03

WAN-IFRA'S WORLD DIGITAL MEDIA AWARDS (WDMA)

Best Branded Content Project

- R.AGE





TRUE STORY AWARD 2019

04

Global Finalist
R.AGE



A. Samad Ismail Young Journalist Award
Lee Chonghui

Best Frontpage Design Award
Zulhaimi Baharuddin

Best Infographic
Foo Chern Hwan & Norlidah Ramli
(Consolation)

Best Editorial Cartoon
Kee Choon Wai (Consolation)

Online Portal News Report
Nadia Binti Shaiful Bahari & Tuan Mohamad
Hafis Bin Tuan Ludin (Consolation)

Best News Video
Satpal Singh Kaler, Claire Rachael Gaunt, &
Yee Ngan Pang (Consolation)

Petronas Best Environmental Journalism
Sim Leoi Leoi, Adrian Chan, & Trisha Nanda
Gopal (Consolation)

05

MALAYSIAN PRESS INSTITUTE (MPI) - PETRONAS MALAYSIAN JOURNALISM AWARDS 2018

FY2019 AWARDS (cont'd)

06

2019 SOCIETY OF PUBLISHERS IN ASIA (SOPA) AWARDS FOR EDITORIAL EXCELLENCE

Excellence in Reporting on Women's Issues
- The Star

Excellence in Journalistic Innovation
- R.AGE



07

ANNUAL JOHOR MEDIA AWARDS

Best Cultural Tourism Award
- Nelson Benjamin

Best Economic News
- Nelson Benjamin

Best Sports News
- Mohd Farhaan Shah

Mentri Besar's Award
- Zazali Musa

08

MALAYSIAN DIGITAL ASSOCIATION (MDA) d AWARDS 2019

Best Platform Development
- R.AGE (Gold)

Best Use of Digital Innovation
- Non-Profit/ Pro-bono Campaigns
- R.AGE (Gold)

Best Digital Publisher of the Year
- The Star Online (Silver)



BEST MEDIA AWARD (PRINT) 2019 FROM THE SOCIAL SECURITY ORGANISATION (SOCSO)

09

Sandhya Menon



10

ANUGERAH BINTANG POPULAR BERITA HARIAN (ABPBH32)

Most Popular Radio Presenter Award
- DJ Lin



11

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB) CONSTRUCTION MEDIA AWARDS 2019

Print Media

- Sheila Sri Priya (Third place)

Photography

- Art Chen (First place)

FY2019
AWARDS (cont'd)

12 RIVER OF LIFE PUBLIC OUTREACH PROGRAMME PHASE 5 (ROLPOP5) AWARD

Media/Journalist
- Bavani M



13 CYBERSECURITY MALAYSIA

Most Supportive Media (Newspaper) 2018
- The Star

Most Supportive Media (Online Media) 2018
- The Star



14 MEDICAL TRAVEL MEDIA AWARDS 2019

Best Online Report
- Chester Chin

15 PENANG WATER SUPPLY CORPORATION (PBAPP) MEDIA APPRECIATION NIGHT 2019

News Report
- R. Sekaran

News Photographs
- Zainudin Ahad



17 MALAYSIA CHINESE WOMEN ENTREPRENEURS ASSOCIATION (MCWEA)

Asian Women Entrepreneurs Award In The Media And Communications
- Esther Ng



16 NEGERI SEMBILAN LITERARY & MEDIA AWARDS 2019

Best Print Media Journalism Award
- The Star



18 PUTRA BRAND AWARDS

Media Networks
- Star Media Group (Silver)

FY2019 HIGHLIGHTS



Esther Ng first Malaysian woman to join the World Editors Forum Advisory Board

Esther Ng, Star Media Group's Chief Content Officer, was the first Malaysian woman to be on the World Editors Forum advisory board. Her election into the advisory board is an acknowledgement of Star Media Group and the country's role in shaping the global media industry.

The World Editors Forum is a Paris-based editors' network operating within the World Association of News Publishers (WAN-IFRA) focused on the future of quality journalism, newsroom transformation and defending and protecting press freedom.

R.AGE editor secures a place in the Obama Leadership programme

Ian Yee, editor of Star Media Group's award-winning R.AGE team, was among the 14 Malaysians selected for the Obama Foundation Leaders: Asia Pacific Programme held in Kuala Lumpur.

The five-day leadership development conference of 200 young leaders featured prominent speakers including former US president Barack Obama, former first lady of the United States Michelle Obama and actress Julia Roberts talking about values-based leadership development.

It was the Obama Foundation's strong belief that the elected leaders, through the work that they do in their communities, have the potential to positively affect change across the globe and inspire a wave of civic innovation.



Kuntum releases a brand-new animated series

Kuntum's beloved mascots, Pintar and Comel, make their way to the digital sphere with the brand-new Kuntum animated series. The series follows Pintar and Comel on their everyday adventures and is available on Kuntum's YouTube channel.

Pintar and Comel are also seen sporting bright, new looks which captivated audiences at the Popular Bookfest in June 2019 where they presented a sneak peek of their new series.

Kuntum is the only monthly edutainment children's magazine endorsed by the Ministry of Education.



mStar gives back in the spirit of Ramadan

It was all smiles as mStar, together with Exim Bank and Bank Simpanan Nasional, broke fast with less fortunate children as well as the nation's enforcement and public safety personnel during their inaugural Ramadan #KongsiNikmat initiative.

mStar paid a visit and distributed food to Pusat Jagaan Al-Fikrah, Madrasah Anak-Anak Yatim & Tahfiz Quran Hashimiah, Madrasah Muiinulislam Tahfizul Quran, Madrasah Darul Muttaqin Maa' Tahfizul Quraan, Central Fire and Rescue Station, Shah Alam Fire and Rescue Station, Kuala Lumpur Contingent Police Headquarters and the Ministry of Defence Malaysia.

The campaign hoped to invoke a sense of togetherness, especially during the holy month of Ramadan where it is tradition to break fast with family and friends.



FY2019
HIGHLIGHTS (cont'd)



SURIA

**Suria's DJ Lin
celebrates 20 years in
the radio industry**

It was a double celebration for Suria's DJ Lin as she won the "Most Popular Radio Presenter" at the 32nd Anugerah Bintang Popular Berita Harian and celebrated her 20th anniversary in the radio industry.

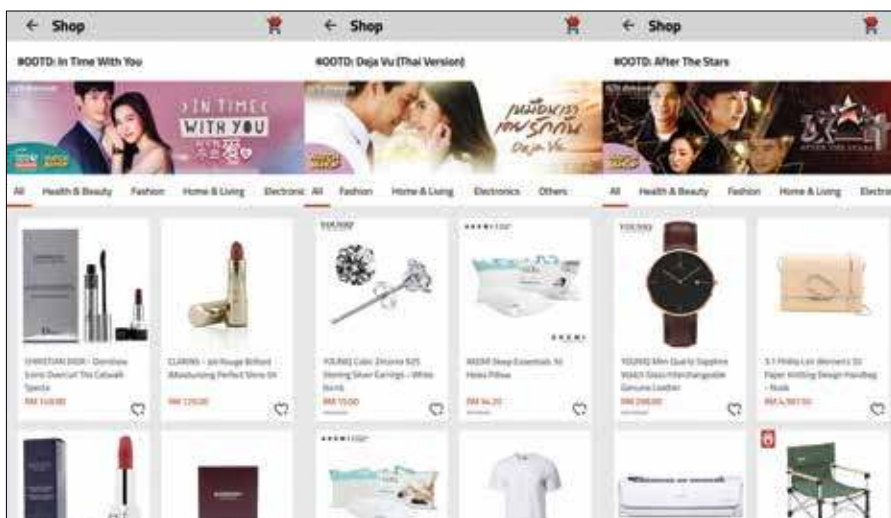
DJ Lin is the personality behind the most popular late night show among Malay-language stations, Suria Cinta, where she lends a listening ear or dishes out advice on all things love and relationship. She was the only female presenter among five other highly talented nominees.

dimsum®
entertainment

**Get your favourite star's
look with Watch and Shop**

dimsum entertainment introduced Watch & Shop, Malaysia's first streaming app with a shoppable in-app experience that allows viewers to purchase various items featured in the shows on the streaming service.

It features specially curated items from popular series on dimsum entertainment and viewers can browse for items ranging from beauty, health, fashion, home and living, electronics and more.

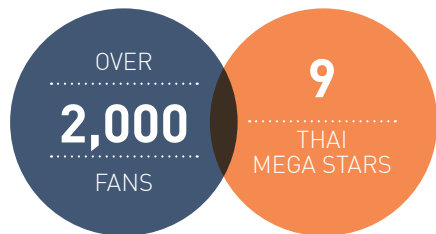




dimsum entertainment presents Malaysia's first Thai pop music showcase

dimsum entertainment celebrated their third anniversary with a bang, treating over 2,000 fans to a showcase of Thai Pop. The first of its kind, the Thai Pop 2019 Music Showcase was supported by the Royal Thai Embassy and saw nine of the hottest artistes, including members from pop group 9BY9 and stars of popular Thai drama My Ambulance, rock the stage.

The music showcase also marked the end of a three-day Thai Pop bazaar.



♦♦♦♦♦ EYE ON THE BALL

R.AGE's feature-length documentary makes its international debut



R.AGE's inspiring documentary on Malaysia's national blind football team, nicknamed the Harimau Buta, captivated audiences during its international premier at the Aperture Asia & Pacific Film Festival in London, Manchester and Newcastle.

Eye On The Ball, directed by filmmaker Chen Yih Wen from R.AGE, is an uplifting documentary film about the remarkable Harimau Buta who rose from a rag-tag group of part-timers to Asean Para Games champions in 2015.

Ahead of the film's local debut, over a thousand people took part in the #BolaButaChallenge where they experienced playing blind football with the Harimau Buta. They were awed by the Harimau Buta's jaw-dropping blind football skills, and had the opportunity to catch celebrities like Harith Iskander, Ummi Nazeera, JinnyBoy, Ean and Arnold, Kyoto Protocol and Bunkface blindfold themselves to give the sport a try.



**#STAND
TOGETHER**

1,000

ATTENDEES AT
THE KINDNESS
CONCERT

9,000

KINDNESS
REVOLUTION
PARTICIPANTS

200

KINDNESS
COMPETITION
ENTRIES

Celebrating love and compassion at the #StandTogether Kindness Concert

Malaysia's first #StandTogether Kindness Concert saw 1,000 people celebrating love and positivity with incredible performances by top Malaysian celebrities.

Acts like rock band Kyoto Protocol, comedian Harith Iskander, and singer/songwriter Nik Qistina took to the stage to spread positivity through music, as campaign celebrity ambassadors hosted meet-and-greet sessions with fans.

The student-led concert also acted as a showcase - in the form of videos produced by R.AGE - of the ten best "Kindness Projects" by students from across the country, chosen from almost 200 entries to the #StandTogether campaign's Kindness Competition.

The concert was a culmination of the hugely successful #StandTogether National Kindness Week movement. Close to 9,000 students, teachers and members of the public had signed up for the "Kindness Revolution", and took part in daily challenges throughout the National Kindness Week.

In its third year, the #StandTogether campaign was initiated by R.AGE and Setia in response to a torrent of bullying cases sweeping across social media.



OVER
5,000
RECIPES

OVER
40
FOOD
CATEGORIES



Kuali introduces Malaysia's first food app with image recognition technology

Kuali is back with a revamped website and an all-new food image recognition technology, the first of its kind in Malaysia!

Foodies everywhere can now check out delicious and authentically Malaysian food articles, videos and recipes, and even submit their own recipes to share with the world.

Since its launch, the Kuali app has a total of 2,225 users. The Kuali app is available on Google Play and Apple App store.



#LayanDiri

Ad bookings have never been easier

Star Media Group launched LayanDiri, a new online self-serve advertising booking service which aims to make online advertising more accessible for small to medium-sized enterprises (SMEs).

The service allows users to select and book digital and radio advertising on five of Star Media Group's online platforms, TheStar.com.my, mStar, dimsum entertainment, and radio stations 988 and Suria.

It offers several advertising packages starting from as low as RM5,000 to RM15,000.

Users can select their preferred combination of advertising formats ranging from digital display banners, radio commercial spots, branded online articles to electronic direct mail and app notifications.

LayanDiri users can also opt for creative services such as radio commercial production, branded content production and graphic design for display ads.

FY2019 HIGHLIGHTS (cont'd)



StarProperty unveils new identity and announces platform consolidation

StarProperty.my and Propwall.my have merged under StarProperty. The hallmark for the new site is its customised content for different audience segments as well as the invaluable property insights and reviews.

It also features smarter search capabilities, improved indexing, easier navigation, friendlier design and faster loading speeds as well as automated mortgage calculation, affordability calculator and virtual home tours.

Since its launch, the new site has garnered 3.2 million page views and 1.3 million unique visitors.

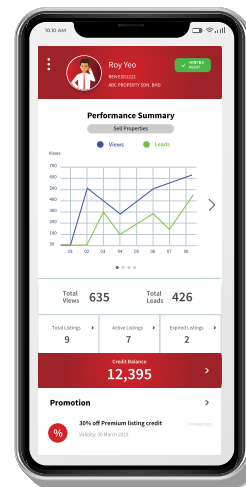
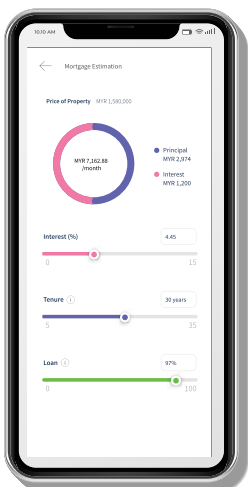
Source: Google Analytic (as at 31 December 2019)



Property news at your fingertips

The StarProperty app helps to provide members of the public with more convenient access to property listings via mobile devices. To date, the app has received a total of more than 8,000 downloads and counting.

The StarProperty Connect app caters exclusively for real estate agents and negotiators. Users of the app benefit from real-time analysis of their ad performance as well as a comprehensive lead management system. The app has received over 500 downloads.



Source: Firebase (as at 31 December 2019)



StarProperty AWARDS 2019 REAL ESTATE DEVELOPER

Honouring leading developers

It was a night of grandeur at the StarProperty Awards 2019 which was graced by the Minister of Housing and Local Governments, YB Zuraida Kamaruddin, and attended by over 500 guests.

The annual awards programme, recognising the contributions of Malaysia's property developers in shaping the country's property landscape, comprised of 24 awards categories. This encompassed a new set of categories that commended outstanding hotels and lodgings, luxury developments and notable public buildings.

This year's awards programme drew 45 entries and the winning projects were showcased at The Curve.

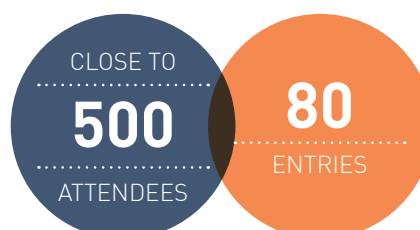


StarProperty AWARDS 2019 REALTOR EDITION

Stars align for estate agents

It was a night of glitz and glamour as the third installation of the StarProperty Real Estate Awards (SREA) 2019 was attended by close to 500 attendees. The 2019 awards encompassed 15 categories with a total of 80 entries from real estate agencies, agents and negotiators.

SREA 2019 recognises the endeavours of real estate agencies and their agents/negotiators, and strives to stimulate healthy competition amongst these stakeholders, reward their excellence and motivate them to further successes.



StarCarSifu

StarCarSifu Editor's Choice Awards rev up excitement

The StarCarSifu Editor's Choice Awards returned for a fourth year, with 61 vehicles from 25 representing automotive brands nominated for 33 categories.

This year's awards saw a major change with the replacement of a single "Car of the Year" winner, to three "Car of the Year" winners, based on geographic origins namely Local, Asian and Continental Car of the Year.

The awards programme is organised to honour the advancement and innovation of outstanding cars in areas such as design, features and green technology.



perfect livin[®]

Irresistible deals at Malaysia's premier home expo

Perfect Livin Home Expo treated hundreds of thousands of visitors to exclusive deals across nine shows in six venues across the nation.

With over 500 renowned exhibitors showcasing a variety of contemporary furniture and the latest home solutions, Perfect Livin '19 home expo offered buyers all their home appliances under one roof.

OVER

500

EXHIBITORS

23,000

VISITORS



Celebrating 10 years of business excellence

SOBA marked its 10th anniversary in championing business excellence among SMEs, inspiring and driving Malaysian enterprises towards outstanding and excellent achievements. 98 awards were given out, as well as certificates in recognition of the companies' growth and accomplishments. A fashion showcase titled 'Taste of Malaysiana' was the entertainment of the night.

To mark the milestone, SOBA had a line up of activities such as SOBA LABs where professionals could learn strategies on how to grow and sustain their business, and the SOBA Fraternity Night which highlighted achievements of past and present participants in the SME industry.

SOBA 2018 was endorsed by the Ministry of International Trade and Industry.



FY2019 HIGHLIGHTS (cont'd)



One-stop venue for education options

With over 100 local and international tertiary education institutions promoting their programmes, school leavers were spoilt for choice at the Star Education Fair 2019.

There were career talks in various fields such as media, culinary, medicine, and psychology as well as career-personality mind mapping test for fair-goers, along with scholarship opportunities.

Five editions of the Star Education Fair were held across the nation and attracted 63,000 visitors throughout the year.

63,000

VISITORS



Penang gets fit at Health Expo

Star Health Expo 2019 attracted 7,000 visitors at Setia SPICE, where they got an all-round health check from health professionals, with many of the screenings done by Penang's renowned private hospitals.

Fair-goers also had the chance to compete in fun challenges that revolved around fitness, agility and creativity, and check out health care products and services on offer at more than 100 booths.

With the theme "Get Fit. Live Great!", Star Health Expo aimed to inspire Malaysians to lead a healthy lifestyle by adopting a holistic approach which includes physical and mental health, emotional well-being and financial wellness.



OVER

100

BOOTHs

42

EXHIBITORS

7,000

VISITORS



Unlocking business potential with programmatic

As the advertising landscape becomes more complex, marketers are re-evaluating and looking towards technology to solve challenges on how they create, buy, and activate their campaigns, in addition to investing in data analytics to evaluate performance.

Programmatic Malaysia 2019 discussed the future of digital advertising and marketing and topical issues surrounding programmatic advertising.

With an impressive line-up of 19 speakers including AirAsia Group Head of Digital Marketing and Analytics Ravi Shankar, Cxense ASA Senior Vice President and General Manager Charles Ho, Dentsu Aegis Network Malaysia Head of Programmatic Suhail Ahmed, Mindshare Managing Director Dheeraj Raina and many more, the second annual one-day conference saw a convergence of 200 delegates.

People4.0

PEOPLE 4.0: The Future of Work conference



During the Future of Work conference, 20 industry experts and game-changers shared their thought-provoking and educational insights on how people are the most vital component of Industry 4.0.

Some of key takeaways of the conference included how employers could develop new frameworks for meaningful employee experiences, apply new approaches to talent acquisition and new ways of dynamic learning and inclusivity.

The gamified conference gathered about 200 HR professionals, corporate leaders, culture-makers and key players with the potential to influence change in the workplace.

The diverse panel of speakers included Digi Chief Human Resource Officer Elisabeth Stene, PETRONAS Head of Corporate Programme Zahira Sughra, CIMB Group Chief People Officer Dato' Hamidah Naziadin, and many more.

Celebrating extraordinary Malaysians with hearts of gold

Returning for its fifth year, Star Golden Hearts Award recognised and honoured everyday heroes who demonstrated extraordinary commitment to social work and promoted unity among Malaysians, whether through explicit means or by virtue of their acts of kindness.

Ten winners were selected from over 400 nominations that poured in from members of the public.

Winners of Star Golden Hearts Award 2019 were Sujana Mohd Rejab, Dr Tan Ching Seong, Ecotourism & Conservation Society Malaysia (ECOMY), Hopes Malaysia, Langit Collective, Mohd Faisal Abdu'r-Rani, Samuel Isaiah, Stevens Chan Kum Fai, Yunizam Yusop, and Zulkernai Fauzi.

This year's Star Golden Hearts Award also saw the unveiling of a new logo and three new judges sitting on the panel, Yayasan Gamuda head Sharifah Alauyah Wan Othman, Yayasan Kebajikan Negara former CEO Datin Paduka Che Asmah Ibrahim and social activist Syed Azmi Alhabshi.





SPARKs fly in Johor's business community

Star Media Group's inaugural SPARK Johor 2019 kicked off with a great turnout of corporate figures and business people in the state.

The event, which was held at Trove Johor Bahru, saw about 300 guests turn up to share their input and tap into ideas that were useful for their business. More than just a sharing session between the business community and Star Media Group, SPARK Johor was also an avenue to spark connections, conversations and collaborations.

The guests gained insight into topics such as "Successfully pitching stories to The Star" by StarBiz editor Jagdev Singh and "Analytics 101: From Data to Insights" by Star Media Group Analytics head Freddy Loo.



Star

スーパ COMIC
s ū p ā

Star Supa Comic back to thrill fans

Star Supa Comic returned for its second year from 13 July to 14 July 2019 at Mid Valley Exhibition Centre in Kuala Lumpur, and drew 20,000 visitors who were treated to a night concert, meet-and-greet sessions by veteran cosplayers, gaming competitions and other exciting activities.

Local group Starlight Sugar kick-started the event with a string of electrifying performances, followed by the Supa Star Runway which featured competing cosplayers, and Supa Star Masterclass on voice acting for animation, hands-on props and story development.

For the first time ever, Star Supa Comic 2019 featured its very own mascots, "Supa Heroes" Ryo and Lady Shiori.

20,000

ANIME, COMIC AND
GAMES FANS

FY2019 HIGHLIGHTS (cont'd)



Malaysian exporters make their mark

Successful exporters from various sectors were given their turns in the spotlight at the inaugural Export Excellence Awards 2019 (EEA 2019) Gala Night.

Aimed at celebrating the achievements of Malaysia's top exporters, the awards ceremony recognised excellence in seven main award categories across different sectors and geographical regions. Three companies also walked away with the Exporter of the Year title, while a special award was presented in the halal products category.

Gracing the gala night was former International Trade and Industry Minister Datuk Darell Leiking.

Thousands of health enthusiasts throng Gurney Drive

It was a bright morning and the best time for some 15,000 health enthusiasts to burn some calories as they hit the roads along Gurney Drive and the Tanjong Tokong area for the Penang Starwalk 2019.

The 7 km non-competitive event was flagged off by the Yang di-Pertua Negeri Tun Abdul Rahman Rabbas.

Many interesting activities, prizes as well as refreshing delights awaited everyone after the walk and book vouchers were also presented to schools with the highest number of participants.



15,000
.....
PARTICIPANTS





10,000
PARTICIPANTS

A royal affair at #AnakAnakMalaysia walk 2019

It was a big celebration of love for the nation at the #AnakAnakMalaysia Walk 2019 as His Majesty The Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah walked side-by-side with 10,000 Malaysians on Merdeka Day.

The 5.5 km walk was also attended and supported by many prominent local figures such as Malaysia's national athletes, celebrities, entertainers, and successful entrepreneurs.

Following the meaningful walk, several lucky draw winners walked away with many exciting prizes, with the grand prize lucky draw winner bringing home a Proton Saga.

Participants were also treated to an impressive display of fireworks as well as a showcase of Malaysian arts and culture at the Ketuk-Ketuk Festival by RIUH, a specially curated creative bazaar featuring pop-up stores, creative workshops, live acts and showcases.

SUSTAINABILITY STATEMENT

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4.	STAKEHOLDER ENGAGEMENT	80
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Economic : Content Creation, Sourcing and Management

Economic : Responsible Procurement Practices

Environment : Energy Management (Renewable Energy)

Environment : Materials

Environment : Waste and Effluent Management

Social : Anti-Corruption

Social : Diversity

Social : Labour Practice and Decent Work

Social : Occupational Health and Safety Measures

Social : Community Investment

Social : Quality Education for a Better Society

This is the third year that Star Media Group is reporting on sustainability in line with the Sustainability Reporting Guide by Bursa Malaysia.

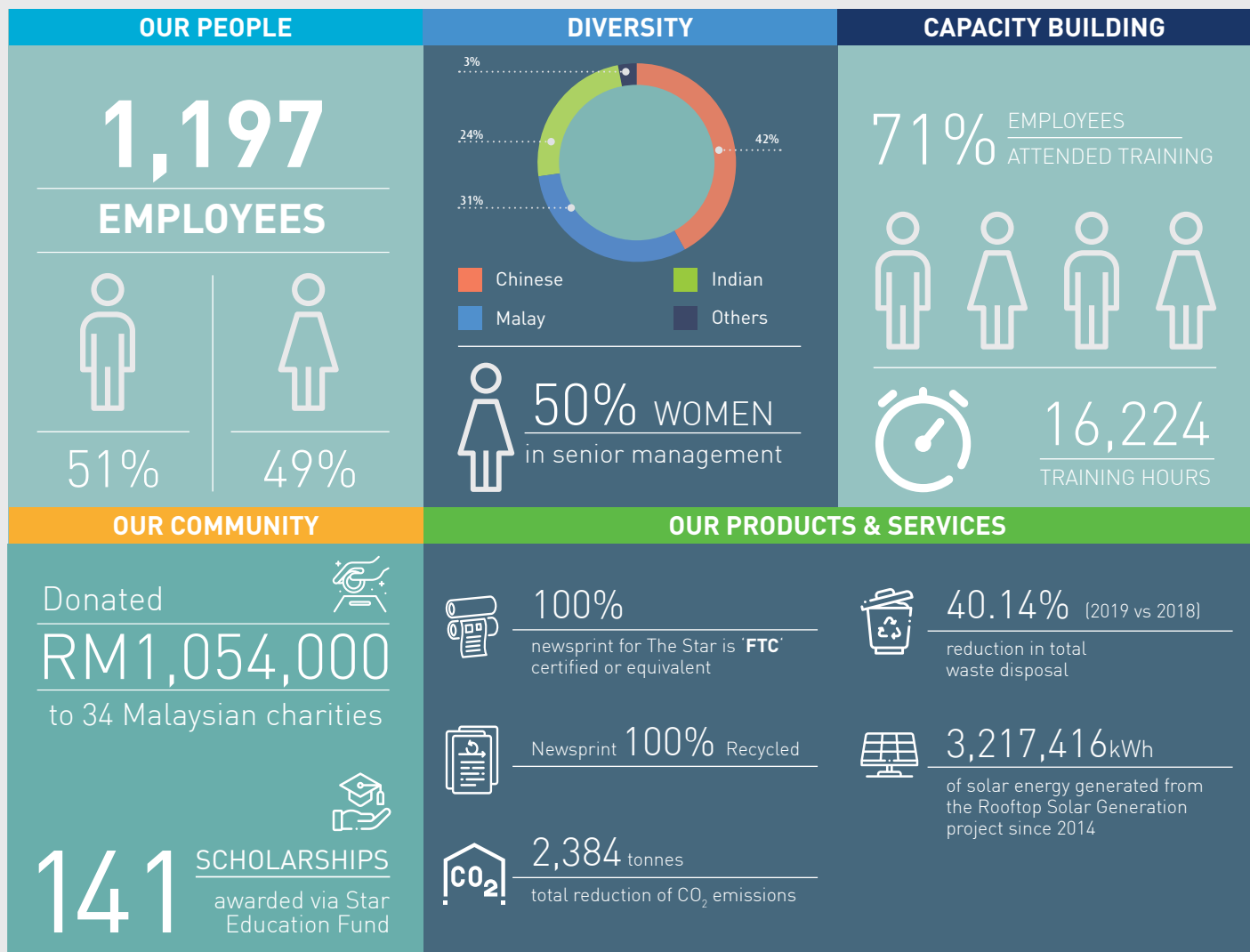
Star Media Group continues to report on its sustainability practices in line with the Sustainability Reporting Guide from Bursa Malaysia. At the same time, we continue to support United Nations Sustainable Development Goals ("SDG"), specifically SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production.

As indicated in the Management Discussion and Analysis ("MD&A") 2019, with the completion of the digital transformation exercise which was 2 years in the making, 2019 saw concerted efforts to demonstrate clear business outcomes to ensure the organisation remains a healthy and viable business in the coming years.

At the same time, the Group continues to improve on its Economic, Environment and Social ("EES") impacts while putting in place a roadmap for sustainability. As a news and media organisation, creating shared values is embedded within the DNA of the organisation. A large portion of the organisation's resources are dedicated to creating and producing products and services that play the dual role of promoting a nation-building agenda or social causes while creating revenue opportunities for the Group.

We also recognise the unique position and responsibility we have in shaping society at large through our content and platforms. Along that line, we will commit to reflecting our progress and contributions following globally recognised standards in the coming years.

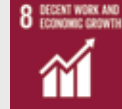
AT A GLANCE



SUSTAINABLE DEVELOPMENT GOALS



CONTENT CREATION,
SOURCING &
MANAGEMENT



RESPONSIBLE
PROCUREMENT
PRACTICES



ENERGY MANAGEMENT
(RENEWABLE ENERGY)



MATERIALS



WASTE & EFFLUENT
MANAGEMENT



ANTI-CORRUPTION



DIVERSITY



LABOUR PRACTICE
& DECENT WORK



OCCUPATIONAL HEALTH
& SAFETY MEASURES



COMMUNITY
INVESTMENT



QUALITY EDUCATION
FOR A BETTER SOCIETY



GOVERNANCE AND SCOPE

This Statement reflects our progress in moving towards improved reporting and disclosures. We recognise that sustainability is an ongoing process and hope to report on significant improvements in this realm for the next Sustainability Statement.

This Sustainability Statement, guided by the Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia and Sustainable Development Goals guidelines, is to be read in conjunction with the rest of Star Media Group's 2019 annual report, which highlights other financial and non-financial aspects of our business. To avoid repetition, certain aspects of this Statement may make reference to existing content within other sections of the Annual Report.

Sustainability is driven by our management with guidance by our Board which sets the tone and is responsible for our overall business conduct. The Board works with the key management (led by Group CEO) to consider specific issues from strategy through to safety, the environmental and reputation. In addition, the Enterprise Risk Management unit is tasked with monitoring the sustainability matters of the Group including assessing the risks which may impact the sustainability of the operations and report accordingly to Group CEO. The Group CEO and his immediate appointees ensure all sustainability initiatives are implemented effectively and responsibly.

Aligned with the roadmap to sustainability that the Group is currently developing, the intent is to also align the existing key risk indicators ("KRI") with sustainability matters for a more integrated, holistic view of these areas.

Born as "The people's paper", the Group is very much imbued with a sense of being a responsible corporate citizen. As such, a distinctive part of the corporate culture is the ability to create and curate products and services that bring positive impact to Malaysians and contribute to nation-building.

PERIOD COVERED

1 January 2019 - 31 December 2019

SCOPE

Star Media Group is wholly based in Malaysia. It covers mainly Star Media Group Berhad and its print operations, which make up a substantial portion of the Group's business in terms of business and operations. Unless otherwise stated, it does not extensively cover the other operating companies within the digital, video-on-demand ("VOD"), radio, events and exhibitions segments as our focus is to primarily improve on the main operation first before advancing to other areas of the business.

We intend to expand our scope to include the full suite of operating companies within the Group for a more comprehensive view of our material economic, environment and social matters in the coming years.



DISCLOSURE AND EXTERNAL ASSURANCE

For this Sustainability Statement, we have maintained an internal assurance methodology, reflecting the nascent stage of our reporting. We aim to substantially improve assurance measures in the coming report with a longer term aim to seek external assurance within the next few years.



SUSTAINABILITY STATEMENT (cont'd)

STAKEHOLDER ENGAGEMENT

In 2019, we continued our engagement with stakeholder groups to better understand what areas interest and concern them in relation to the business and to align the materiality matters with these areas. Moving forward, we hope to create a more structured approach to stakeholder engagement involving both internal and external stakeholders to facilitate better outcomes.

The Stakeholder Engagement Matrix below highlights the stakeholder engagement activities that we implemented in 2019:

STAKEHOLDER	ENGAGEMENT PLATFORMS		KEY INTERESTS	HOW WE ADDRESSED
Shareholders / Analysts	<ul style="list-style-type: none">Regular shareholder communications / announcements on Bursa Malaysia including quarterly financial resultsUpdates on Star Media Group's corporate websiteAnnual General Meetings / Extraordinary General MeetingsAnalyst briefingsPeriodic engagements with equity analysts and fund managersAnnual Report and Circular/ Statement to shareholdersOn-site visits to HQ, radio stations and printing plant	<ul style="list-style-type: none">OngoingOngoingAnnualPeriodicPeriodicAnnualAnnual	<ul style="list-style-type: none">Group's business directionKey corporate developments	<ul style="list-style-type: none">Quarterly and annual statement briefingsOn-demand response to inquiries and meeting requests
Government / Regulators and Policy Makers	<ul style="list-style-type: none">Meetings, case studies and sports activitiesOn-site visits to HQ, radio stations and printing plantAttendance / participation in the Group's events	<ul style="list-style-type: none">OngoingOngoingOngoing	<ul style="list-style-type: none">Regulation and complianceStrong relationships	<ul style="list-style-type: none">Public-private partnerships
Customers (Business)	<ul style="list-style-type: none">Meetings, town hall sessions, roadshows, participation in exhibitions and networking lunches / dinnersProduct presentationsOn-demand requestsOn-site visit to HQ and printing plant	<ul style="list-style-type: none">OngoingOngoingOngoingOngoing	<ul style="list-style-type: none">Business directionProcurementKnowledge sharingSafety procedures	<ul style="list-style-type: none">Data-driven solutioningRefer Sustainability Matters 'Responsible procurement practices and Occupational health and safety measures'
Customers (Consumer)	<ul style="list-style-type: none">Qualitative and quantitative market research participationFeedback sessions during onground events and exhibitionsCustomer Service channels (Email and call centre)Social media (Facebook, Instagram, LinkedIn, Twitter)	<ul style="list-style-type: none">PeriodicOngoingOngoingOngoing	<ul style="list-style-type: none">The Star cover price cost vs no. of pages (content)Content direction / balanced reporting	<ul style="list-style-type: none">Stringent fact-checking processesRefreshed editorial systemResponsive editorial directionRefer Sustainability Matter 'Content creation, sourcing and management'

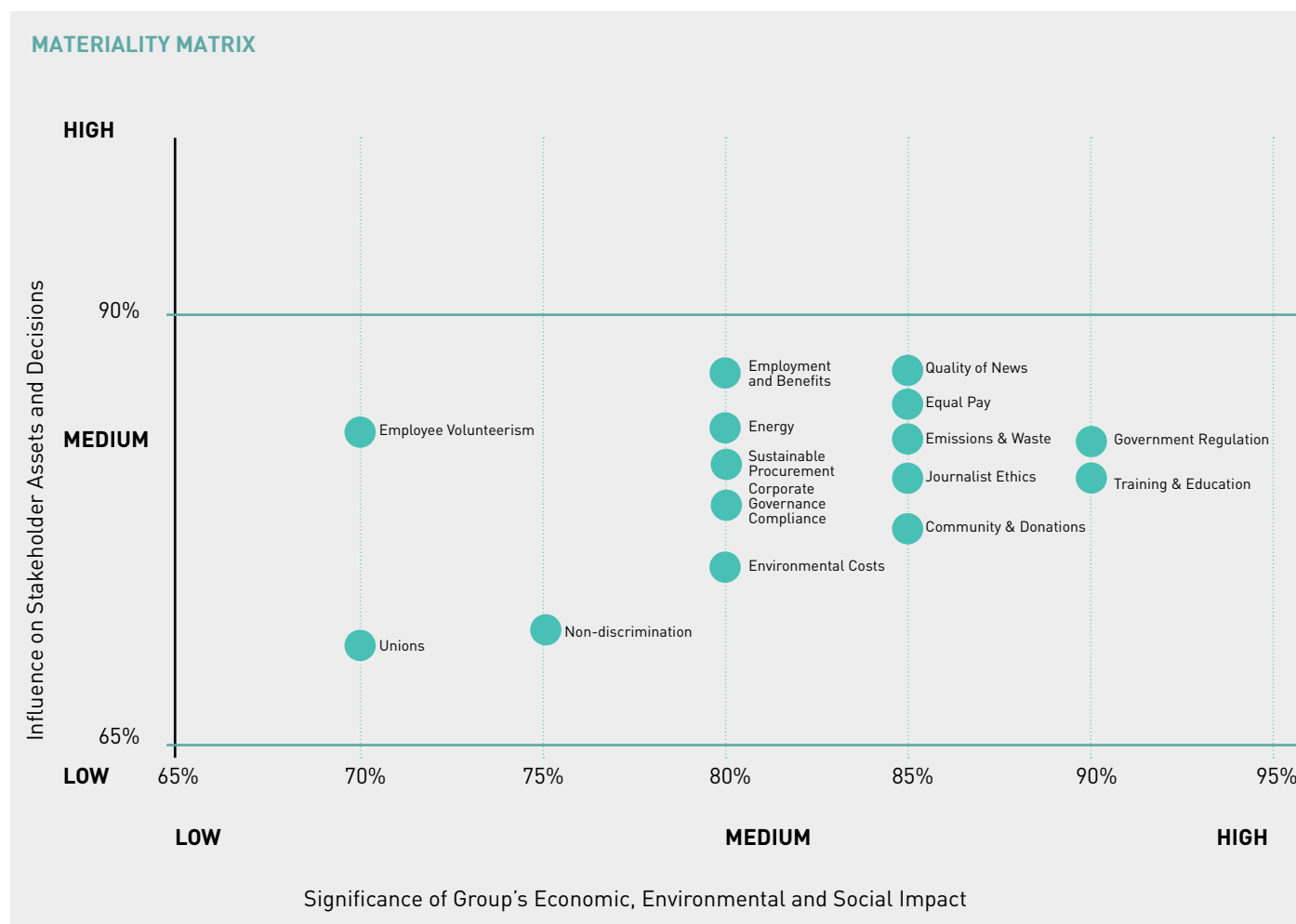
STAKEHOLDER	ENGAGEMENT PLATFORMS		KEY INTERESTS	HOW WE ADDRESSED
Suppliers and Industry Peers / Partners	<ul style="list-style-type: none"> Meetings, town hall sessions Participation in exhibitions Networking gatherings Product presentations 	<ul style="list-style-type: none"> At least once a year Ad-hoc At least once a year At least twice a year 	<ul style="list-style-type: none"> Business direction Procurement Knowledge sharing Safety procedures 	<ul style="list-style-type: none"> On-site visit to HQ and printing plant Refer Sustainability Matters' Responsible procurement practices and Occupational health and safety measures'
Employees	<ul style="list-style-type: none"> Regular communications via email blasts and quarterly publications Townhall and dialogue sessions Social activities via the recreational club Union meetings 	<ul style="list-style-type: none"> Ongoing At least twice a year At least once a year At least once a year 	<ul style="list-style-type: none"> Human capital development Safety Governance Corporate developments 	<ul style="list-style-type: none"> Diverse workforce Training and development programmes Career planning and development Code of Ethics Refer Sustainability Matters' Diversity, Labour practice and decent work and occupational health and safety measures'
Local Communities	<ul style="list-style-type: none"> Site visits to NGOs Community-focused events organised by the Group Sponsorships/ donations On-site visit to HQ and printing plant 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> Education Social assistance Funding Publicity 	<ul style="list-style-type: none"> Education workshops and activities Funding via Star Foundation Medical Fund Programme Wheelchair programme Awareness building through editorial campaigns Refer Sustainability Matter 'Community investment and Quality education for a better society'

SUSTAINABILITY STATEMENT (cont'd)

MATERIALITY

To determine materiality, Star Media Group worked closely with its department heads as well as external stakeholder groups. Feedback obtained via these sessions were mapped against the Group's business priorities and direction as well as risk considerations.

Following this, a risk assessment exercise was carried out to gauge impact of the sustainability matters to the Group.

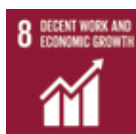


OUR SUSTAINABILITY COMMITMENTS

1

CONTENT CREATION, SOURCING AND MANAGEMENT

UPHOLDING OUR RESPONSIBILITY AS THE FOURTH ESTATE



As a media company, content creation forms the foundation for the Group. As custodian of the preferred source of English news for Malaysians, we have the responsibility to ensure the content we produce and publish is accurate, credible and truthful.

The content teams are guided by strict and clear guidelines and standard operating procedures that ensure we are able to consistently deliver accurate and credible news and content. This includes guidelines on house style, columnists and contributor selection, as well as remuneration, among other things.

There is also a recurring feedback loop from readers, viewers and followers that allows for the content team to adapt, adjust and improve on content direction in order to better meet the

expectations of our audience. This occurs through social media engagements, letters to the editor, emails, content team's participation in panel discussions, forums, conferences, market research and direct feedback through roadshows.

For dimsum entertainment (our video-on-demand ("VOD") offering), there is a Content Management Committee ("CMC") to oversee the purchase of content. The CMC consists of dimsum entertainment's content team, Chief Marketing Officer and Star Media Group's Group CEO. Content are sourced by identifying global and regional trends, which are then adopted locally to meet the suitability and preference of the local market. Fair and transparent processes are part of the content sourcing practice.

2

RESPONSIBLE PROCUREMENT PRACTICES

GEARING FOR SUSTAINABILITY THROUGHOUT THE SUPPLY CHAIN



A significant portion of Star Media Group's procurement activities involve local suppliers. From the purchase of raw materials, to production of marketing collateral and enlisting consultancy services, we continue to prioritise local suppliers across the Group. Where instances of procuring beyond local borders occurred, it has been on the basis of availability and capability.

The Group is also guided by our Procurement Policy that sets the parameters for our practices.

The supplier-buyer relationship is regularly reviewed and improved upon to comply with international standards. Our newsprint supplies are sourced from sustainably-managed forests and from environmentally responsible mills. The mills are Forest Stewardship Council ("FTC") certified/ accredited or equivalent, and produce their newsprint from well-managed forests or sustainable sources.

The FTC is an international body, which accredits certification to organisations to guarantee the authenticity of their claims. The goal of FTC is to promote environmentally responsible, socially beneficial and economically viable management of the world's forests.

SUSTAINABILITY STATEMENT (cont'd)

STAR MEDIA GROUP'S ROLE IN THE INDUSTRY

- Member of Malaysian Newspaper Publishers Association ("MNPA")
- Member of Asia News Network ("ANN"), World Association of Newspapers and News Publishers ("WAN-IFRA") and Malaysian Press Institute ("MPI")
- Member of the Malaysian Retail Chain Association
- Council member of Communications and Multimedia Content Forum of Malaysia ("CMCF")

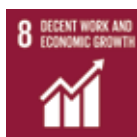
Star Media Group has in place guidelines and policies to guide us in our day-to-day operations, ensuring we always hold ourselves to a high standard and comply with the relevant rules and regulations:-

- Procurement Policy
- Whistleblowing Policy
- Code of Ethics
- Related Party Transaction Policies and Procedures
- IT Usage and Security Policy
- Anti-money Laundering & Counter Terrorism Financing
- Guidelines to a Donation; and
- Human Resource Policy.

3

ENERGY MANAGEMENT (RENEWABLE ENERGY)

OPTIMISING CONSUMPTION AND MINIMISING ENVIRONMENTAL FOOTPRINT



Star Media Group's rooftop solar generation project was launched in 2014 with its 500 kWh rooftop solar plant. Since then, it has proven to not only reduce CO₂ emissions from the TNB grid system, but created an alternative revenue stream for the Group. Since launch, the initiative has generated a gross revenue of RM3.8 million for the Group.



SOLAR YIELD 2017-2019 (RM)



Note:
CO₂ emissions are calculated using the Greentech Malaysia online carbon calculator (i.e. 1 MWh = 741kg CO₂)

In 2019, we recorded a dip in yield as a result of poorer weather conditions.

4

MATERIALS



PAPER & INK

The Star newspaper, Malaysia's leading English daily, is printed each day on 100% recycled newsprint, meeting the ISO 12647-3 requirement for best print results.

Compliance with this standard also subjects us to the pre-defined process control procedures for production of halftone colour separation, proofing and printing of newspaper.

Our move to 42gsm since 2016 has also significantly increased the yield per kg compared to previous runs on 45gsm, thereby increasing efficiency and productivity of the printing process. We continue to work closely with newsprint manufacturers to procure the most efficient products that minimise press run wastage.

In addition, we work with our ink suppliers to ensure compliance to the ISO 2846-2 standard.

THE STAR
NEWSPAPER

100%

PRINTED ON
RECYCLED
NEWSPRINT

NEWSPRINT YIELD 2017-2019 (Pages Per KG)



SUSTAINABILITY STATEMENT (cont'd)

5

WASTE & EFFLUENT MANAGEMENT



EFFECTIVE PRINTING PLANT PRACTICES

As part of sustainable waste management practices, our printing plant place an emphasis on recycling and reusing waste in order to minimise landfill or incineration. Appointed licensed contractors dispose our general domestic waste, while other domestic waste such as used printing plates, press spoilage, newsprint brown wrapper/side covers, end cores, paper stripping and test run spoilage are sent to appointed contractors for recycling.

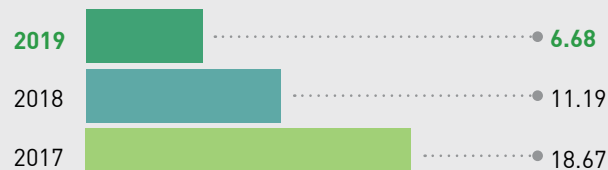
Scheduled waste is collected, stored and disposed by contractors licensed by the Department of Environment ("DOE") and done on a weekly basis, as per the requirements of the Environment Act.

Quarterly Environment Performance Monitoring Committee ("EPMC") meetings are conducted in compliance with the latest Guidelines for Self Regulation required by DOE.

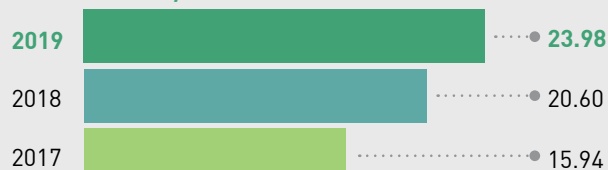
WASTE CATEGORY	WASTE CODE	2017	2018	2019
E-Waste	SW 110	0.14	0.19	0.22
Sludge from WWTP	SW 204	5.39	3.67	5.69
Spent Lubricating Oil	SW 305	3.40	2.25	1.51
Spent Non-Halogenated Organic Solvents	SW 322	22.59	18.76	7.20
Container contaminated with schedule waste	SW 409	0.54	0.44	0.41
Used rags and filters	SW 410	15.27	8.94	5.17
Spent activated carbon	SW 411	1.25	1.65	1.80
Ink Waste	SW 417	2.21	2.57	1.03
Total (MT)		50.79	38.47	23.03

SCHEDULE WASTE DISPOSAL COMPOSITION (MT)

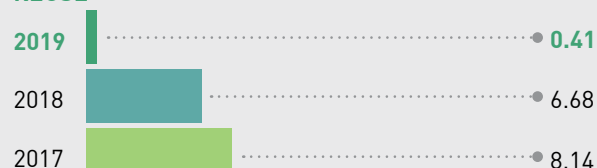
RECYCLE



INCINERATION/LANDFILL



REUSE



6

ANTI-CORRUPTION

FIGHTING CORRUPTION THROUGH ORGANISATIONAL CULTURE AND ACCOUNTABILITY



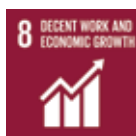
The Group strictly prohibits any of its employees from bribery, corruption and any form of unethical behaviour. Whilst we believe that a stringent tendering system for procurement and contract helps, we are confident that the ethical values inculcated in our employees reinforce our efforts to be transparent.

The Group is also in the midst of strengthening its policies and practices, in line with the requirements of Section 17A of the MACC Act pertaining corporate liability for bribery offences.

7

DIVERSITY

WHERE DIVERSITY IS THE NORM

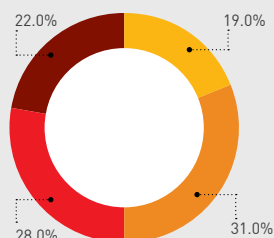


The Star's ability to commit to its tagline of "The people's paper" is also attributed to the diversity of our people across the group, mirroring the diversity of Malaysians as a whole. Diversity as defined by the Group cuts across race, gender, age, disability or status.

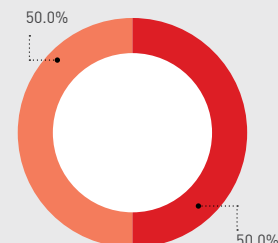
The Group's policies and initiatives such as recruitment, retention, training and development, as well as Group-sponsored corporate and social activities are all implemented in a manner that celebrates diversity.

WORKFORCE AGE COMPOSITION

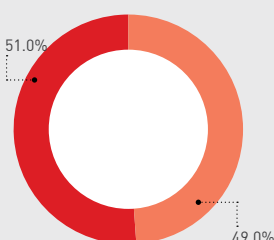
30 years old and below 41-50 years old
31-40 years old 51 years old and above

**WOMEN IN SENIOR MANAGEMENT**

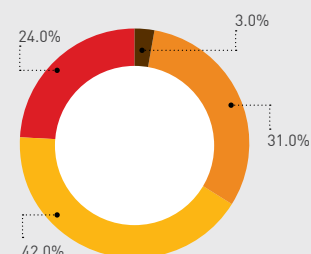
WOMEN MEN

**EMPLOYEE GENDER COMPOSITION**

MALE FEMALE

**WORKFORCE ETHNICITY COMPOSITION**

CHINESE MALAY
INDIAN OTHERS

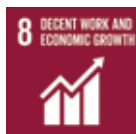


SUSTAINABILITY STATEMENT (cont'd)

8

LABOUR PRACTICE AND DECENT WORK

BUILDING ON A CULTURE OF MUTUAL RESPECT, INTEGRITY AND COMMITMENT TO EXCELLENCE



The success of the Group to date is attributed to the commitment and dedication of our people - our STARS. Our employment practices are underpinned by the principles of fair treatment and a balance between performance, pay and participation.

ENGAGEMENT

We continue to prioritise employee engagement activities to communicate with and unify our employees. Engaged employees are more satisfied with their work, tend to stay longer, and are more productive and committed. Employees are encouraged to pursue their ideas with passion and collaborate with others to make their ideas a reality through transfers and intra-company secondments. The Group also has in place mechanisms to manage and resolve employee grievances to ensure these are addressed at the lowest levels possible and escalated accordingly if necessary.

1,197 STARS

ACROSS 9 OPERATING COMPANIES

WORKFORCE

ENTITY	HEADCOUNT
Star Media Group Berhad	839
Star Media Radio Group Sdn. Bhd.	24
Rimakmur Sdn. Bhd.	35
Star RFM Sdn. Bhd.	55
SMG Business Services Sdn. Bhd.	143
SMG Entertainment Sdn. Bhd.	57
I.Star Ideas Factory Sdn. Bhd.	13
I.Star Events Sdn. Bhd.	4
Star Property Sdn. Bhd.	27

PRACTICES & BENEFITS

We continue to implement several initiatives to ensure our people achieve their full potential and are able to give their best. This includes competitive pay and benefits, retirement benefit schemes and long service awards. Having a good staff retention scheme, coupled with the right hiring is essential to build a workforce that is balanced in terms of experience and energy.

In 2019, we continued to uphold our tradition of recognising employees who have served the Company diligently. In conjunction with the Company's 48th anniversary, a total of 51 employees were recognised for their worthy contributions and given long-service awards.

We were also able to once again successfully conclude the 14th Collective Agreement with National Union of Journalists (NUJ).

SERVICE TIERS	RECIPIENTS
15 years continuous service	27 employees
25 years continuous service	24 employees



Recipients of the long-service award together with Star Media Group's senior management team and board.

TALENT DEVELOPMENT AND SUCCESSION PLANNING

An annual appraisal system ensures that promotions, developments and rewards are carried out based on meritocracy and fairness. This ensures the Star Media Group family remains a well-balanced, safe and harmonious one.

One of the Group's primary human capital initiatives is our focus on attracting and retaining talent and then helping them to develop their skills to drive the Group's success. To this end, we are committed to bringing on board talent with the appropriate competencies as well as the relevant experience and qualifications. We provide continuous support by way of employee training and development and encourage them to take ownership of their personal growth. Other than serving the immediate needs of the Group, these efforts are helping us establish a strong pool of talent and a pipeline of successors for the Group.

Star Media Group has developed and implemented a competency framework across the Group to identify and outline specifically the required standards of knowledge, skills, and behaviours required for successful job performance. The competency assessment serves to evaluate the competency levels of all employees as well as identify their competencies and skills gaps.

Our efforts begin right at the onset of the career path process when students come on board for their internships. Our well-defined internship programme is very popular among interns and has been certified as a Structured Internship Programme ("SIP") by Talent Corp.

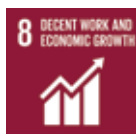
PROGRAMMES	NO. OF STAFF TRAINED
Internal Programmes	681
External Programmes	198

SUSTAINABILITY STATEMENT (cont'd)

9

OCCUPATIONAL HEALTH AND SAFETY MEASURES

TOWARDS A SAFE, ACCIDENT-FREE ENVIRONMENT



For our people to perform and deliver their best, a safe, hazard-free environment is a must. That said, in 2019 we recorded a slight increase in work-related incidents and lost-time injuries. This was due to injuries occurring outside of the work premise but involving company activities. Employees have been advised to pay proper attention to safety even when they are out of the company's premise. No casualties were reported at workplace in 2019.

WORK INCIDENTS



SAFETY & HEALTH ACTIVITIES

A Road Safety campaign was carried out at Star Media Hub, the Group's print production facility, to advise and remind employees on the importance of being careful on the road.

Employees that may be exposed to excessive noise levels underwent audiometric testing to establish baseline hearing levels for these employees and thereon after conduct annual screenings to monitor any potential hearing loss.

In conjunction with World OSH Day 2019 and Workplace Accident-free Week organised by the Selangor State Safety and Health department, Star Media Group held several safety-related activities throughout the week. This included a fire extinguisher and personal protective equipment use demonstration, as well as a fire drill. In August, we held a First Aid refresher training for our First Aid team which was conducted by St. John's Ambulance Malaysia.





OSH COMMITTEE

Minimum **12** PersonsEACH WORK
LOCATION

OSH COMMITTEE

40%COMPRISES
MANAGEMENT

Fire Evacuation Drill



SAFETY PRACTICES

At Star Media Group we strive to comply with all safety, health and environmental requirements as required by law, namely the Occupational Safety and Health Act 1994 and Environmental Quality Act 1974 and its regulations. At the same time, the Group complies with the Fire Services Act 1988 which enables us to obtain a valid Fire Certificate for all our premises.

Each work location has its own Occupational Safety and Health ("OSH") Committees, while our printing facilities have an additional committee called Environmental Performance Monitoring and Compliance Committee ("EPMC").

All high risk activities are governed by safe operational procedures derived from hazardous identification, risk assessment and risk control ("HIRARC") exercises. Contractors are required to submit their safe work methods and attend safety briefings conducted by the safety representative before the commencement of any work. In addition to that, all workplace accidents, incidents and near-misses are reported and investigated to prevent recurrence.

Road Safety Campaign In Star Media Hub

SUSTAINABILITY STATEMENT (cont'd)

10

COMMUNITY INVESTMENT

PRACTISING WHAT WE PREACH



While our primary role as a news and media company is to inform, entertain and educate, the United Nation's goal of 'Leaving No One Behind' is one that closely resonates with us as an organisation. As a citizen watchdog, we are also very much aware and attuned to the challenges faced by vulnerable communities and recognise that we are in a good position to be able to extend assistance that may contribute to the improvement in quality of life for many Malaysians.

RM1.054M
DONATED TO VARIOUS SOCIAL CAUSES

34 CHARITIES SUPPORTING MARGINALISED AND VULNERABLE COMMUNITIES
IN THE AREAS OF

EDUCATION

11

SOCIAL WELFARE

11

HEALTH

8

INFRASTRUCTURE

4

STAR FOUNDATION

Star Foundation donated RM1.054 million in 2019 to various non-profit organisations nationwide including sponsoring the build of three orang asli homes in Negeri Sembilan and Selangor. Financial contributions were also provided to assist organisations in their operating expenses, upgrading of facilities and running of existing programmes.

WHEELCHAIR PROGRAMME

As part of the Group's dedication and commitment to extending assistance to marginalised communities, Star Foundation continued its ongoing efforts through the Wheelchair Programme by providing wheelchairs to those in need. In 2019, 30 wheelchairs were donated to individuals and NGOs desperately in need of mobility support, making it a total of 200 wheelchairs distributed since the programme's inception in 2017.



Some of the recipients of Star Foundation's financial assistance

MEDICAL FUND PROGRAMME

Introduced in 2015, the Medical Fund Programme is an initiative under Star Foundation established to support underprivileged individuals suffering from chronic illnesses by sponsoring their medical treatment and care. Approved medical cases are highlighted in The Star, which enables the public to be actively involved and respond through donations. We are entrusted to manage public donations on top of contributions from Star Media Group Berhad.

In 2019, Star Foundation supported medical costs for Nur Syiffa Nasuha Mat Arif, a 10 year old girl diagnosed with Tetralogy of Fallot, a congenital heart defect and was in need of a correction surgery that would help normalise the oxygen level in her body so that she can enjoy a better quality of life. The surgery and convalescence expenses costed approximately RM55,000. German Motors Sdn Bhd and Liqui Moly Asia Pacific contributed RM27,500 towards the procedure while remaining costs were borne by excess donations collected from cases previously supported under Star Foundation's Medical Fund Programme.

This collective effort between the public and corporate have brought about marked improvements in recipients' health and wellbeing, which truly changes their lives for the better.

SUSTAINABILITY STATEMENT (cont'd)

11

QUALITY EDUCATION FOR A BETTER SOCIETY

A BETTER FUTURE COMES WITH KNOWLEDGE



Education has been a mainstay on the Group's agenda from both a business and social perspective for decades. From the initial days of The Star newspaper there was a realisation that literacy among Malaysians and continued interest in journalism as a career path were both critical to ensuring the sustainability of the business. The former would ensure continued demand for English content while the other would ensure continued supply of quality news and content.

At the same time, the Group has also been in a privileged position to offer access to quality education for the underprivileged through specific programmes organised. As such, the Group divides this matter into three broad themes, with subsequent programmes and initiatives that deliver on the commitments:

ACCESS TO QUALITY EDUCATION FOR ALL

- Star Education Fund
- Star Education Fair
- KUNTUM magazine & workshops

ADVOCATING FOR ENGLISH LITERACY

- Newspaper-in-Education ("NiE") Programme
- English for Better Opportunities ("EBO") Campaign

JOURNALISM AS A SUSTAINABLE CAREER PATH

- BRATs Journalism
- Editorial internships

STAR EDUCATION FUND

Through Star Education Fund, the Group has helped some 4,050 deserving underprivileged students from across Malaysia go through tertiary education and open their pathways for a bright future.

In 2019, the Fund awarded scholarships to 141 students amounting to RM9.15 million scholarship value.

The Star Education Fund is managed by a dedicated unit that helps ensure a wide variety of disciplines offered by credible institutions are available under the programme. This ranges from Diploma certification to professional certificates covering both arts and sciences and across different disciplines. The unit also reviews each application according to a predefined set of guidelines that help ensure fair and equitable distribution of the scholarships. For the full list of partner institutions and the subsequent scholarships available, refer to <https://sites.thestar.com.my/edufund>.

SCHOLARSHIPS

141

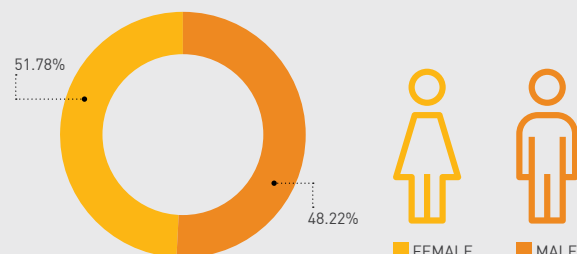
AWARDED
IN 2019

SCHOLARSHIPS

RM9.15M

SCHOLARSHIP
VALUE

GENDER BREAKDOWN OF 2019 RECIPIENTS





A group shot of Star Media Group's management team, partners, alumni and Star Education Fund 2019 scholarship recipients

NEWSPAPER-IN-EDUCATION PROGRAMME (NiE)

Now in our 23rd year, Star Media Group's Newspaper-in-Education programme has penetrated thousands of Malaysian classrooms to inject fun and engaging English language lessons through the newspaper as a medium of instruction.

Each year, the programme is managed by a dedicated NiE team that oversees the planning, production and execution of the programme according to the strict guidelines set by the Education Ministry.

The programme entails the NiE pullouts for secondary school students, the Step Up pullouts for primary school pupils, a young journalist platform known as BRATs and a segment called Earn Your Band 6 that helps students sitting for the Malaysian University English Test (MUET) ace the examination.

Written by a team of experienced English language specialists, the pullouts are available to schools that subscribe to the programme. The publication of NiE, at 20 copies annually, and Step Up, at 11 issues annually, follow the national school syllabus.

The cooperative effort between Star Media Group, corporate sponsors and schools – to utilise the newspaper as an educational resource – saw a total 34 NiE teacher workshops carried out for almost 900 teachers and 12 NiE student workshops involving almost 600 students.

SUSTAINABILITY STATEMENT (cont'd)

SUSTAINABILITY STATEMENT 2019: CONTENT INDEX

Key Elements	Page Number/ URL
Governance structure	Board Charter at www.starmediagroup.my/board-charter/Star-Board-Charter.pdf & Page 34 (Governance)
Scope and basis for the scope	Page 78
Material Sustainability Matters	Page 82
How they are identified	Page 82
Sustainability Matter: Content Creation, Sourcing and Management	Page 83
Why they are important	Page 83
How they are managed	Page 83
Policies to manage these sustainability matters	Page 83
Measures or actions taken to deal with these sustainability matters	Page 83
Sustainability Matter: Responsible Procurement Practices	Page 83
Why they are important	Page 83
How they are managed	Page 83
Policies to manage these sustainability matters	Page 84
Measures or actions taken to deal with these sustainability matters	Page 83
Sustainability Matter: Energy Management (Renewable Energy)	Page 84
Why they are important	Page 84
How they are managed	Page 84
Policies to manage these sustainability matters	Page 84
Measures or actions taken to deal with these sustainability matters	Page 84
Sustainability Matter: Materials	Page 85
Why they are important	Page 85
How they are managed	Page 85
Policies to manage these sustainability matters	Page 85
Measures or actions taken to deal with these sustainability matters	Page 85
Sustainability Matter: Waste & Effluent Management	Page 86
Why they are important	Page 86
How they are managed	Page 86
Policies to manage these sustainability matters	Page 86
Measures or actions taken to deal with these sustainability matters	Page 86

Key Elements	Page Number/ URL
Sustainability Matter: Anti-corruption	Page 87
Why they are important	Page 87
How they are managed	Page 87
Policies to manage these sustainability matters	Page 87
Measures or actions taken to deal with these sustainability matters	Page 87
Sustainability Matter: Diversity	Page 87
Why they are important	Page 87
How they are managed	Page 87
Policies to manage these sustainability matters	Page 87
Measures or actions taken to deal with these sustainability matters	Page 87
Sustainability Matter: Labour Practice and Decent Work	Page 88
Why they are important	Page 88
How they are managed	Page 88-89
Policies to manage these sustainability matters	Page 88-89
Measures or actions taken to deal with these sustainability matters	Page 88-89
Sustainability Matter: Occupational Health & Safety Measures	Page 90
Why they are important	Page 90
How they are managed	Page 90-91
Policies to manage these sustainability matters	Page 90-91
Measures or actions taken to deal with these sustainability matters	Page 90-91
Sustainability Matter: Community Investment	Page 92
Why they are important	Page 92
How they are managed	Page 92-93
Policies to manage these sustainability matters	Page 92-93
Measures or actions taken to deal with these sustainability matters	Page 92-93
Sustainability Matter: Quality Education for a Better Society	Page 94
Why they are important	Page 94
How they are managed	Page 94-95
Policies to manage these sustainability matters	Page 94-95
Measures or actions taken to deal with these sustainability matters	Page 94-95



FINANCIAL STATEMENTS

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104	STATUTORY DECLARATION
105	INDEPENDENT AUDITORS' REPORT
110	STATEMENTS OF FINANCIAL POSITION
112	STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
114	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
116	STATEMENT OF CHANGES IN EQUITY
117	STATEMENTS OF CASH FLOWS
121	NOTES TO THE FINANCIAL STATEMENTS



DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are publication, printing, distribution of newspapers and magazines, digital content services and managers, promoters and organisers of events. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	5,721	12,432
Attributable to:		
Owners of the parent	5,677	12,432
Non-controlling interests	44	-
	5,721	12,432

DIVIDENDS

Dividends paid, declared and proposed since the end of the previous financial year were as follows:

	Company RM'000
In respect of the financial year ended 31 December 2018:	
Second interim single tier dividend of 3.0 sen per ordinary share, paid on 18 April 2019	22,136

Subsequent to the financial year, on 27 February 2020, the Directors declared an interim single tier dividend of 2.0 sen per ordinary share, which amounted to approximately RM14,758,000 in respect of the financial year ended 31 December 2019. The dividend was paid on 17 April 2020 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2020.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

SHARE BUY-BACK

The shareholders of the Company, at an Extraordinary General Meeting held on 18 May 2005, approved the proposal to repurchase up to 10% of its own shares ("Share Buy-Back") of the Company. The authority granted by the shareholders has been renewed at each subsequent Annual General Meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy-Back is in the best interest of the Company and its shareholders.

The Company did not repurchase any shares from the open market during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to date of this report are as follows:

Star Media Group Berhad

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
 Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
 Dato' Dr. Mohd Aminuddin bin Mohd Rouse
 Mr. Choong Tuck Oon
 Madam Wong You Fong
 Mr. Chan Seng Fatt
 Mr. Loh Chee Can

Subsidiaries of Star Media Group Berhad

Pursuant to Section 253 of Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year and up to the date of this report is as follows:

Dato' Dr. Mohd Aminuddin bin Mohd Rouse
 Mr. Chan Shiang Chiat
 Mr. Victor Ng Fook Ai
 Mr. Andreas Vogiatzakis ^
 Mr. Loo Mun Yook ^
 Mr. Rozaid Bin Abdul Rahman ^
 Mr. Terence Raj ^
 Mr. Kang Yew Jin ^
 Ms. Wang Chen Choo ^
 Ms. Lam Swee Kim ^
 Ms. Esther Ng Sek Yee ^
 Mr. Au Chen Sum #
 Datuk Seri Wong Chun Wai *
 Mr. Roy Tan Kong Weng *
 Dato' Law Song Ting *
 Dato' Boey Chin Gan *
 Mr. Ragesh Rajendran +

^ Appointed during the current financial year

* Resigned during the current financial year

Appointed subsequent to the end of the financial year

+ Resigned subsequent to the end of the financial year

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS

None of the Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) remuneration received by certain Directors as Directors of the subsidiaries; and
- (b) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which these Directors have substantial financial interests as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 28 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Group and the Company for the financial year 2019 was RM38,850.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of the auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2019 are disclosed in Note 23 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
 Director

Petaling Jaya
 29 April 2020

.....
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
 Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 110 to 193 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Director

.....
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Director

Petaling Jaya
29 April 2020

STATUTORY DECLARATION

I, Au Chen Sum (CA 29317), being the officer primarily responsible for the financial management of Star Media Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 110 to 193 are, to the best of my knowledge and belief, 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 abovenamed at)
Petaling Jaya in the state of)
Selangor Darul Ehsan this)
29 April 2020)

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR MEDIA GROUP BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Star Media Group Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 110 to 193.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a) *Impairment assessment of the carrying amount of goodwill*

Goodwill of the Group is allocated to one (1) cash generating unit ("CGU"), which is radio broadcasting with a net carrying amount of RM21,932,000 as disclosed in Note 7 to the financial statements. In relation to this, management is required to perform impairment assessment on an annual basis.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the CGU in determining the recoverable amount. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF STAR MEDIA GROUP BERHAD
(INCORPORATED IN MALAYSIA) (cont'd)

Key Audit Matters (cont'd)

a) Impairment assessment of the carrying amount of goodwill (cont'd)

Audit response

Our audit procedures included the following:

- (i) challenged the identification and determination of CGU based on our understanding of the nature of business segments of the Group to ascertain that goodwill is appropriately allocated to the CGU;
- (ii) compared prior period projection to actual outcome to assess reliability of management forecasting process;
- (iii) compared cash flow projection against recent performance, and assessed and evaluated the key assumptions in projection to available external industry sources of data;
- (iv) verified gross profit margins and growth rates by assessing evidence available to support the key assumptions in projection;
- (v) verified pre-tax discount rate for the CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (vi) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

b) Impairment of trade receivables

As at 31 December 2019, trade receivables of the Group and the Company were RM38,546,000 and RM31,032,000 respectively, as disclosed in Note 12 to the financial statements.

The Group and the Company have further impaired trade receivables amounted to RM1,073,000 and RM685,000 respectively during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by trade receivables and appropriate forward-looking information.

Audit response

Our audit procedures included the following:

- (i) recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group and the Company;
- (ii) recomputed the correlation coefficient between forward-looking information used by the Group and the Company and historical losses to determine the appropriateness of the forward-looking information used; and
- (iii) inquiries of management to assess the rationale underlying the relationship between the forward-looking information (i.e. advertising expenditure ("ADEX")) and expected credit losses.

c) Impairment assessment of the carrying amounts of investments in subsidiaries

As at 31 December 2019, investments in subsidiaries of the Company were RM55,101,000 as disclosed in Note 9 to the financial statements. The Company had made further impairment of RM27,229,000 in respect of the carrying amounts of investments in subsidiaries during the financial year.

Key Audit Matters (cont'd)

c) *Impairment assessment of the carrying amounts of investments in subsidiaries (cont'd)*

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amounts. In this instance, the recoverable amount is based on value-in-use or fair value less cost to sell, whichever is higher. These key assumptions include different budgeted operating profit margins, growth rates, terminal values as well as determining an appropriate pre-tax discount rate used for each subsidiary.

Audit response

Our audit procedures included the following:

- (i) challenged assessment of management that no further impairment losses on investments was required based on recoverable amounts of the subsidiaries;
- (ii) compared cash flow projections against recent performance, and assessed and evaluated the key assumptions in projections to available external industry sources of data, where applicable;
- (iii) compared prior period projections to actual outcomes to assess reliability of management forecasting process;
- (iv) verified gross profit margins, growth rates and terminal values by assessing evidence available to support the key assumptions in projections;
- (v) verified pre-tax discount rate for each subsidiary by comparing to the weighted average cost of capital of the Company and relevant risk factors; and
- (vi) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

d) *Impairment of amounts owing by subsidiaries*

As at 31 December 2019, amounts owing by subsidiaries of the Company were RM56,198,000, as disclosed in Note 12 to the financial statements.

The Company has further impaired amounts owing by subsidiaries amounted to RM1,180,000 during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

Audit response

Our audit procedures included the following:

- (i) recomputed probability of default using historical data and forward-looking adjustment applied by the Company;
- (ii) assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages;
- (iii) challenged management on the basis for determining cash flows recoverable, where applicable; and
- (iv) assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STAR MEDIA GROUP BERHAD (INCORPORATED IN MALAYSIA) (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

LLP0018825-LCA & AF: 0206
Chartered Accountants

Tang Seng Choon

02011/12/2021 J
Chartered Accountant

29 April 2020
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	277,917	311,254	273,438	303,575
Investment properties	6	148,532	141,271	148,532	141,271
Intangible assets	7	42,056	44,499	1,545	311
Right-of-use assets	8	20,793	-	1,384	-
Investments in subsidiaries	9	-	-	55,101	110,881
Investments in associates	10	-	-	-	-
Other investments	11	71	10,250	71	10,250
Other receivables	12	-	-	44,815	24,328
Deferred tax assets	13	3,397	4,158	-	-
Total non-current assets		492,766	511,432	524,886	590,616
Current assets					
Inventories	14	22,762	36,263	22,762	36,263
Trade and other receivables	12	65,894	70,768	56,782	63,282
Derivative assets	15	-	39	-	39
Current tax assets		6,240	28,167	4,941	21,398
Cash and bank balances	16	385,928	300,030	309,445	220,234
Total current assets		480,824	435,267	393,930	341,216
TOTAL ASSETS		973,590	946,699	918,816	931,832

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	738,564	738,564	738,564	738,564
Treasury shares	17	(1,769)	(1,769)	(1,769)	(1,769)
Reserves	18	81,670	95,487	56,211	65,916
		818,465	832,282	793,006	802,711
Non-controlling interests	9	(1,807)	(1,851)	-	-
TOTAL EQUITY		816,658	830,431	793,006	802,711
LIABILITIES					
Non-current liabilities					
Lease liabilities	8	18,255	2,599	834	986
Deferred tax liabilities	13	26,803	27,669	26,648	27,480
Total non-current liabilities		45,058	30,268	27,482	28,466
Current liabilities					
Trade and other payables	19	108,646	84,949	97,911	100,293
Derivative liabilities	15	28	-	28	-
Lease liabilities	8	3,057	716	389	362
Current tax liabilities		143	335	-	-
Total current liabilities		111,874	86,000	98,328	100,655
TOTAL LIABILITIES		156,932	116,268	125,810	129,121
TOTAL EQUITY AND LIABILITIES		973,590	946,699	918,816	931,832

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	20	315,934	392,680	263,183	325,846
Cost of sales and services	21	(148,085)	(184,384)	(121,521)	(151,667)
Gross profit		167,849	208,296	141,662	174,179
Other income		22,363	23,357	32,018	23,097
Distribution costs		(51,781)	(53,976)	(45,245)	(45,423)
Administrative and other expenses		(122,582)	(166,765)	(109,360)	(122,043)
Finance costs	22	(1,206)	(1,976)	(80)	(1,870)
Profit before tax	23	14,643	8,936	18,995	27,940
Tax expense	24	(8,922)	(3,477)	(6,563)	(1,819)
Profit for the financial year		5,721	5,459	12,432	26,121
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	24	42	(129)	-	-
Reclassification of foreign exchange translation reserve to profit and loss on dissolution of a foreign subsidiary	24	2,864	-	-	-
Total comprehensive income, net of tax		8,627	5,330	12,432	26,121

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit attributable to:					
Owners of the parent		5,677	5,226	12,432	26,121
Non-controlling interests	9	44	233	-	-
		5,721	5,459	12,432	26,121
Total comprehensive income attributable to:					
Owners of the parent		8,583	5,097	12,432	26,121
Non-controlling interests		44	233	-	-
		8,627	5,330	12,432	26,121
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted	25	0.77	0.71		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

←-----Attributable to equity holders of the Company-----→							
Group	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2018	738,564	(1,769)	(66)	134,729	871,458	1,448	872,906
Profit for the financial year	-	-	-	5,226	5,226	233	5,459
Foreign currency translations, net of tax	-	-	(129)	-	(129)	-	(129)
Total comprehensive income, net of tax	-	-	(129)	5,226	5,097	233	5,330
Transactions with owners							
Disposal of subsidiary (Note 9(g))	-	-	-	-	-	(2,062)	(2,062)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	(1,470)	(1,470)
Dividend paid (Note 26)	-	-	-	(44,273)	(44,273)	-	(44,273)
Total transactions with owners	-	-	-	(44,273)	(44,273)	(3,532)	(47,805)
Balance as at 31 December 2018	738,564	(1,769)	(195)	95,682	832,282	(1,851)	830,431

←-----Attributable to equity holders of the Company-----→							
Group	Share capital RM'000	Treasury shares RM'000	Foreign exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2019, as previously reported	738,564	(1,769)	(195)	95,682	832,282	(1,851)	830,431
Adjustments on initial application of MFRS 16 (Note 32.1)	-	-	-	(264)	(264)	-*	(264)
Balance as at 1 January 2019, as restated	738,564	(1,769)	(195)	95,418	832,018	(1,851)	830,167
Profit for the financial year	-	-	-	5,677	5,677	44	5,721
Reclassification of foreign exchange translation reserve to profit and loss on dissolution of a foreign subsidiary (Note 9(f))	-	-	2,864	-	2,864	-	2,864
Foreign currency translations, net of tax	-	-	42	-	42	-	42
Total comprehensive income, net of tax	-	-	2,906	5,677	8,583	44	8,627
Transaction with owners							
Dividend paid (Note 26)	-	-	-	(22,136)	(22,136)	-	(22,136)
Balance as at 31 December 2019	738,564	(1,769)	2,711	78,959	818,465	(1,807)	816,658

* Amount is immaterial to disclose

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 January 2018		738,564	(1,769)	84,068	820,863
Profit for the financial year		-	-	26,121	26,121
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income, net of tax		-	-	26,121	26,121
Transaction with owners					
Dividend paid	26	-	-	(44,273)	(44,273)
Balance as at 31 December 2018, as previously reported		738,564	(1,769)	65,916	802,711
Adjustments on initial application of MFRS 16 (Note 32.1)		-	-	(1)	(1)
Balance as at 1 January 2019, as restated		738,564	(1,769)	65,915	802,710
Profit for the financial year		-	-	12,432	12,432
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income, net of tax		-	-	12,432	12,432
Transaction with owners					
Dividend paid	26	-	-	(22,136)	(22,136)
Balance as at 31 December 2019		738,564	(1,769)	56,211	793,006

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		14,643	8,936	18,995	27,940
Adjustments for:					
Amortisation of intangible assets	7	12,950	13,857	248	82
Dividend income	23	-	-	-	(3,540)
Depreciation of:					
- investment properties	6	265	248	265	248
- property, plant and equipment	5	23,650	25,927	21,690	23,270
- right-of-use assets	8	3,556	-	392	-
Fair value loss/(gain) on:					
- derivative (liabilities)/assets	15	67	(9)	67	(9)
- other investments	23	179	410	179	410
Loss/(Gain) on disposal of:					
- investment in a subsidiary	9(g)	-	(3,496)	-	-
- property, plant and equipment		66	(15)	66	(11)
Impairment losses on:					
- amounts owing by subsidiaries	12(k)	-	-	1,180	5,094
- investments in subsidiaries	9(d)	-	-	27,229	4,146
- trade receivables	12(h)	1,073	2,118	685	860
Intangible assets written off	7	311	18	-	-
Interest expense	22	1,206	1,976	80	1,870
Interest income	23	(4,919)	(3,436)	(4,219)	(2,646)
Investment income	23	(8,729)	(8,102)	(8,359)	(7,491)
Net loss/(gain) on dissolution of subsidiaries	23	2,806	-	(11,762)	-
Property, plant and equipment written off	5	67	536	62	335
Reversal of impairment losses on:					
- amounts owing by subsidiaries	12(k)	-	-	-	(1,681)
- equity loan	9(d)	-	-	-	(919)
- trade receivables	12(h)	(2,227)	(899)	(764)	(387)
Unrealised (gain)/loss on foreign exchange	23	(7)	5	(8)	2,575
Operating profit before working capital changes		44,957	38,074	46,026	50,146

**STATEMENT OF
CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (cont'd)

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Operating profit before working capital changes (cont'd)		44,957	38,074	46,026	50,146
Changes in working capital:					
Inventories		13,501	(10,678)	13,501	(10,681)
Trade and other receivables		5,017	20,258	6,088	18,093
Trade and other payables		23,465	(59,268)	34,505	(64,441)
Cash generated from/(used in) operations		86,940	(11,614)	100,120	(6,883)
Tax paid		(9,647)	(14,231)	(6,566)	(6,491)
Tax refunded		22,390	667	15,628	-
Net cash from/(used in) operating activities		99,683	(25,178)	109,182	(13,374)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interest in a subsidiary	9(h)	-	-	-	(15,000)
Dividend received		-	-	-	3,540
Interest received		5,935	3,572	4,738	3,356
Investment income received		8,729	8,102	8,359	7,491
Net advances to subsidiaries		-	-	(18,269)	(23,102)
Proceeds from disposals of:					
- a subsidiary, net of cash and bank balances disposed	9(g)	-	3,017	-	-
- intangible assets		-	45	-	-
- property, plant and equipment		439	496	423	378
Proceeds from dissolution of a subsidiary		58	-	-	-
Purchases of:					
- intangible assets		(10,372)	(15,403)	(1,036)	(362)
- property, plant and equipment	5(c)	(2,402)	(6,677)	(1,585)	(4,331)
Redemption of other investment		10,000	-	10,000	-
Withdrawals/(Placements) of deposits with licensed banks with original maturity of more than three (3) months		17,111	(520)	17,123	(632)
Net cash from/(used in) investing activities		29,498	(7,368)	19,753	(28,662)

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	26	(22,136)	(44,273)	(22,136)	(44,273)
Dividends paid to non-controlling interests of a subsidiary		-	(1,470)	-	-
Interest expenses paid on:					
- lease liabilities		(1,189)	(176)	(80)	(70)
- Medium Term Notes		-	(1,800)	-	(1,800)
Payments of lease liabilities		(2,846)	(1,042)	(393)	(361)
Repayments of Medium Term Notes		-	(100,000)	-	(100,000)
Net cash used in financing activities		(26,171)	(148,761)	(22,609)	(146,504)
Net increase/(decrease) in cash and cash equivalents		103,010	(181,307)	106,326	(188,540)
Effects of exchange rate changes on cash and cash equivalents		(1)	10	8	(35)
Cash and cash equivalents at beginning of financial year		282,313	463,610	203,111	391,686
Cash and cash equivalents at end of financial year	16(e)	385,322	282,313	309,445	203,111

STATEMENT OF
CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Medium Term Notes Group and Company RM'000	Lease liabilities Group RM'000	Company RM'000
At 1 January 2018	100,000	2,497	1,709
Cash flows	(100,000)	(1,042)	(361)
Non-cash flows:			
- Purchase of property, plant and equipment	-	1,860	-
At 31 December 2018/1 January 2019	-	3,315	1,348
Effect on adoption of MFRS 16 (Note 32.1)	-	9,703	91
As restated	-	13,018	1,439
Cash flows	-	(4,035)	(473)
Non-cash flow:			
- Additions of lease liabilities	-	11,140	177
- Unwinding of interest	-	1,189	80
At 31 December 2019	-	21,312	1,223

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at Level 15, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2019 comprise the Company and its subsidiaries and the interests of the Group in associates. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 29 April 2020.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are the publication, printing, distribution of newspapers and magazines, digital content services and managers, promoters and organisers of events. The principal activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 32.1 to the financial statements.

The Group and the Company applied MFRS 16 *Leases* and Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures* for the first time during the current financial year, using the cumulative effect method as at 1 January 2019. Consequently, the comparative information were not restated and are not comparable to the financial information of the current financial year.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

4. OPERATING SEGMENTS

Star Media Group Berhad and its subsidiaries in Malaysia are principally engaged in publication of print, digital and broadcasting. Two (2) of its subsidiaries in Malaysia are principally engaged in the provision of event organising management and provision of design, build and construction of exhibition related services. Whilst its subsidiaries in Hong Kong were principally engaged in the provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime. These subsidiaries had ceased operations in the previous financial years.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Print and digital

Publication, printing and distribution of newspapers and magazines and advertising in print and electronic media and provision of on-demand internet streaming media.

(ii) Broadcasting

Operations of wireless broadcasting stations.

(iii) Event and exhibition

Provision of event organising management.

Other operating segments comprise operations related to investment holding, investment of assets held, online portal and provision of technical operations and broadcasting support for the high definition television channel, operation of pay or cable television channel, distribution of films and sales of television channel airtime. In the previous financial year, other operating segments included the provision of human capital development including training and consultancy.

The Group evaluates performance of the operating segments on the basis of profit or loss from operations before tax not including non-recurring transactions, such as gain on disposal of a subsidiary and net loss/gain on dissolution of subsidiaries.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

4. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segments of the Group:

2019	Print and digital RM'000	Broadcasting RM'000	Event and exhibition RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sales to external customers	277,321	24,822	13,804	(13)	-	315,934
Inter-segment sales	338	75	-	36,173	(36,586)	-
Total revenue	277,659	24,897	13,804	36,160	(36,586)	315,934
Results						
Segment results	1,573	470	1,676	(1,554)	36	2,201
Finance costs	(81)	(1,124)	(1)	-	-	(1,206)
Interest income	3,156	1,464	87	212	-	4,919
Investment income	8,551	-	-	178	-	8,729
Profit before tax	13,199	810	1,762	(1,164)	36	14,643
Tax expense						(8,922)
Profit for the financial year						5,721
Assets						
Segment assets	855,166	94,794	11,110	12,520	-	973,590
Liabilities						
Segment liabilities	124,093	23,819	4,372	4,648	-	156,932
Other segment information						
Capital expenditure	11,614	510	-	650	-	12,774
Depreciation	22,975	4,150	192	154	-	27,471
Amortisation	12,722	30	-	198	-	12,950
Net loss on dissolution of subsidiaries	-	-	-	2,806	-	2,806
Non-cash expenses other than depreciation	662	356	122	298	-	1,438

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

4. OPERATING SEGMENTS (CONT'D)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segments of the Group (cont'd):

2018	Print and digital RM'000	Broadcasting RM'000	Event and exhibition RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
Sales to external customers	338,740	29,514	17,219	7,207	-	392,680
Inter-segment sales	1,499	247	-	34,837	(36,583)	-
Total revenue	340,239	29,761	17,219	42,044	(36,583)	392,680
Results						
Segment results	(561)	1,921	2,563	521	(5,070)	(626)
Finance costs	(1,870)	(106)	-	-	-	(1,976)
Interest income	2,339	709	89	299	-	3,436
Investment income	7,679	378	-	45	-	8,102
Profit before tax	7,587	2,902	2,652	865	(5,070)	8,936
Tax expense						(3,477)
Profit for the financial year						5,459
Assets						
Segment assets	834,970	77,805	8,876	25,048	-	946,699
Liabilities						
Segment liabilities	97,362	6,160	3,956	8,790	-	116,268
Other segment information						
Capital expenditure	19,783	3,272	117	768	-	23,940
Depreciation	24,190	1,664	147	174	-	26,175
Amortisation	13,724	43	-	90	-	13,857
Gain on disposal of a subsidiary	-	-	-	3,496	-	3,496
Non-cash expenses other than depreciation	1,398	469	149	7	-	2,023

4. OPERATING SEGMENTS (CONT'D)

Geographical information

The Group operates mainly in Malaysia. In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sales transactions originated.

Segment assets are based on the geographical location of the assets of the Group.

Segment revenue and segment assets information based on geographical information are as follows:

	Revenue		Segment assets	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Malaysia	314,534	391,269	972,868	945,518
Singapore	1,400	1,337	244	555
Others	-	74	478	626
	315,934	392,680	973,590	946,699

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2019	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January	46,447	4,801	149,313	575,606	125,507	489	902,163
Effect on adoption of MFRS 16 (Note 32.1)	-	(3,406)	-	(4,488)	-	-	(7,894)
Additions	-	-	-	450	1,952	-	2,402
Disposals	-	-	-	-	(2,736)	-	(2,736)
Reclassifications	1,375*	(1,395)*	-	-	6	(6)	(20)
Reclassifications to investment properties (Note 6)	-	-	(10,237)	-	-	(37)	(10,274)
Reclassifications to intangible assets (Note 7)	-	-	-	-	-	(446)	(446)
Written off	-	-	-	(170,903)	(1,740)	-	(172,643)
At 31 December	47,822	-	139,076	400,665	122,989	-	710,552
Accumulated depreciation							
At 1 January	-	1,498	50,111	357,047	112,085	-	520,741
Effect on adoption of MFRS 16 (Note 32.1)	-	(1,478)	-	(1,782)	-	-	(3,260)
Charge for the financial year	-	-	2,971	16,333	4,346	-	23,650
Disposals	-	-	-	-	(2,231)	-	(2,231)
Reclassifications	-	(20)*	-	-	-	-	(20)
Reclassifications to investment properties (Note 6)	-	-	(3,837)	-	-	-	(3,837)
Written off	-	-	-	(101,679)	(1,607)	-	(103,286)
At 31 December	-	-	49,245	269,919	112,593	-	431,757
Accumulated impairment							
At 1 January	-	-	-	70,102	66	-	70,168
Written off	-	-	-	(69,224)	(66)	-	69,290
At 31 December	-	-	-	878	-	-	878
Carrying amount							
At 31 December	47,822	-	89,831	129,868	10,396	-	277,917

* The reclassification from leasehold land to freehold land during the financial year is to reflect the change in status of the land.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2018	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January	46,447	4,801	149,062	524,314	129,576	53,445	907,645
Additions	-	-	251	3,338	4,658	290	8,537
Disposals	-	-	-	-	(1,678)	-	(1,678)
Disposal of a subsidiary (Note 9(g))	-	-	-	-	(1,552)	-	(1,552)
Reclassifications	-	-	-	53,246	-	(53,246)	-
Written off	-	-	-	(5,292)	(5,497)	-	(10,789)
At 31 December	46,447	4,801	149,313	575,606	125,507	489	902,163
Accumulated depreciation							
At 1 January	-	1,445	47,121	344,490	114,360	-	507,416
Charge for the financial year	-	53	2,990	17,588	5,296	-	25,927
Disposals	-	-	-	-	(1,197)	-	(1,197)
Disposal of a subsidiary (Note 9(g))	-	-	-	-	(1,152)	-	(1,152)
Written off	-	-	-	(5,031)	(5,222)	-	(10,253)
At 31 December	-	1,498	50,111	357,047	112,085	-	520,741
Accumulated impairment							
At 1 January/31 December	-	-	-	70,102	66	-	70,168
Carrying amount							
At 31 December	46,447	3,303	99,202	148,457	13,356	489	311,254

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2019	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January	46,447	4,801	149,313	546,643	101,522	483	849,209
Effect on adoption of MFRS 16 (Note 32.1)	-	(3,406)	-	(1,116)	-	-	(4,522)
Additions	-	-	-	-	1,585	-	1,585
Disposals	-	-	-	-	(2,707)	-	(2,707)
Reclassifications	1,375*	(1,395)*	-	-	-	-	(20)
Reclassifications to investment properties (Note 6)	-	-	(10,237)	-	-	(37)	(10,274)
Reclassifications to intangible assets (Note 7)	-	-	-	-	-	(446)	(446)
Written off	-	-	-	(170,903)	(1,718)	-	(172,621)
At 31 December	47,822	-	139,076	374,624	98,682	-	660,204
Accumulated depreciation							
At 1 January	-	1,498	50,111	332,482	92,253	-	476,344
Effect on adoption of MFRS 16 (Note 32.1)	-	(1,478)	-	(446)	-	-	(1,924)
Charge for the financial year	-	-	2,971	15,854	2,865	-	21,690
Disposals	-	-	-	-	(2,218)	-	(2,218)
Reclassifications	-	(20)*	-	-	-	-	(20)
Reclassifications to investment properties (Note 6)	-	-	(3,837)	-	-	-	(3,837)
Written off	-	-	-	(101,679)	(1,590)	-	(103,269)
At 31 December	-	-	49,245	246,211	91,310	-	386,766
Accumulated impairment							
At 1 January	-	-	-	69,224	66	-	69,290
Written off	-	-	-	(69,224)	(66)	-	(69,290)
At 31 December	-	-	-	-	-	-	-
Carrying amount							
At 31 December	47,822	-	89,831	128,413	7,372	-	273,438

* The reclassification from leasehold land to freehold land during the financial year is to reflect the change in status of the land.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2018	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1 January	46,447	4,801	149,062	497,152	105,369	53,439	856,270
Additions	-	-	251	1,452	2,338	290	4,331
Disposals	-	-	-	-	(1,480)	-	(1,480)
Reclassifications	-	-	-	53,246	-	(53,246)	-
Written off	-	-	-	(5,207)	(4,705)	-	(9,912)
At 31 December	46,447	4,801	149,313	546,643	101,522	483	849,209
Accumulated depreciation							
At 1 January	-	1,445	47,121	320,932	94,266	-	463,764
Charge for the financial year	-	53	2,990	16,516	3,711	-	23,270
Disposals	-	-	-	-	(1,113)	-	(1,113)
Written off	-	-	-	(4,966)	(4,611)	-	(9,577)
At 31 December	-	1,498	50,111	332,482	92,253	-	476,344
Accumulated impairment							
At 1 January/31 December	-	-	-	69,224	66	-	69,290
Carrying amount							
At 31 December	46,447	3,303	99,202	144,937	9,203	483	303,575

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) All items of property, plant and equipment are initially recorded at cost. After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation periods and annual rates are as follows:

Buildings	30 years to 50 years
Long term leasehold land	62 years to 888 years
Plant and machinery	5.56% - 25%
Furniture, fittings and equipment, renovation and motor vehicles	10% - 50%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress are stated at cost and are not depreciated until such time when the assets are available for use.

- (b) In the previous financial year, the Group had assessed and classified land use rights as finance leases based on the extent to which risks and rewards incidental to ownership of the land resided with the Group arising from the lease term. Consequently, the Group had classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.
- (c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Purchase of property, plant and equipment	2,402	8,537	1,585	4,331
Financed by finance lease arrangements	-	(1,860)	-	-
Cash payments on purchase of property, plant and equipment	2,402	6,677	1,585	4,331

- (d) The carrying amounts of the property, plant and equipment of the Group and of the Company under finance lease at the end of the reporting period were as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Plant and machinery	-	2,706	-	670

The remaining lease terms ranged from one (1) to five (5) years with options to purchase at the end of the lease term. Lease terms did not contain restrictions concerning dividends or additional debt.

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (e) The Group and the Company assessed whether there are any indicators of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environments and performance of Cash Generating Units ("CGUs"). Management considered the loss-making CGUs as impairment indicator.

A CGU's recoverable amount is based on value-in-use. Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates. Management has determined that the recoverable amounts of property, plant and equipment in the CGUs are in excess of the carrying amounts of property, plant and equipment and no impairment loss has been recorded in the current financial year.

The disclosures of the key assumptions are similar to the impairment assessment on the intangible assets, which have been set out in Note 7 to the financial statements.

6. INVESTMENT PROPERTIES

Group and Company		
	2019 RM'000	2018 RM'000
Investment properties		
Cost		
Balance as at 1 January	9,852	9,852
Reclassifications from property, plant and equipment (Note 5)	10,237	-
Reclassifications from right-of-use assets (Note 8)	1,806	-
Balance as at 31 December	21,895	9,852
Accumulated depreciation		
Balance as at 1 January	(3,081)	(2,833)
Depreciation charge for the financial year	(265)	(248)
Reclassifications from property, plant and equipment (Note 5)	(3,837)	-
Reclassifications from right-of-use assets (Note 8)	(717)	-
Balance as at 31 December	(7,900)	(3,081)
	13,995	6,771
Investment property under construction		
Cost		
Balance as at 1 January	134,500	130,827
Additions	-	3,673
Reclassifications from property, plant and equipment (Note 5)	37	-
Balance as at 31 December	134,537	134,500
Carrying amount	148,532	141,271

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

6. INVESTMENT PROPERTIES (CONT'D)

- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation period for the investment properties ranges between thirty (30) and sixty-two years (62) years (2018: thirty (30) and fifty (50) years).

Investment property under construction is stated at cost and is not depreciated until such time when the asset is available for use.

- (b) Investment properties of the Group and of the Company comprise land and buildings.
- (c) The Level 3 fair value of investment properties excluding the investment property under construction is RM41,910,000 (2018: RM23,120,000). The fair value is determined by the Directors based on market values for similar properties in the same vicinity obtained from property agencies. There is no transfer between levels in the hierarchy during the financial year.
- (d) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

Group and Company		
	2019 RM'000	2018 RM'000
Rental income	884	779
Direct operating expenses incurred on:		
- income generating investment properties	267	149
- non-income generating investment properties	5	5

7. INTANGIBLE ASSETS

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Goodwill on consolidation	a	21,932	21,932	-	-
Radio licences	b	-	-	-	-
Programmes rights	c	16,950	20,191	-	-
Computer software	d	2,605	2,376	976	311
Film rights	e	569	-	569	-
Internet portal	f	-	-	-	-
		42,056	44,499	1,545	311

7. INTANGIBLE ASSETS (CONT'D)

Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

(a) Goodwill on consolidation

The carrying amounts of goodwill allocated to the cash-generating unit ("CGU") of the Group are as follows:

	Group	
	2019 RM'000	2018 RM'000
Cost		
Balance as at 1 January		
- Radio broadcasting - CGU 1	21,932	21,932
- Human capital resources - CGU 3	-	2,022
- Television channel - CGU 5	24,355	24,355
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	98,991	101,013
Disposal of subsidiaries		
- Human capital resources - CGU 3	-	(2,022)
	-	(2,022)
Balance as at 31 December		
- Radio broadcasting - CGU 1	21,932	21,932
- Human capital resources - CGU 3	-	-
- Television channel - CGU 5	24,355	24,355
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	98,991	98,991
	98,991	98,991

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (cont'd)

The carrying amounts of goodwill allocated to the cash-generating unit ("CGU") of the Group are as follows (cont'd):

	Group	
	2019 RM'000	2018 RM'000
Accumulated impairment losses		
Balance as at 1 January		
- Human capital resources - CGU 3	-	2,022
- Television channel - CGU 5	24,355	24,355
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	77,059	79,081
Disposal of subsidiaries		
- Human capital resources - CGU 3	-	(2,022)
	-	(2,022)
Balance as at 31 December		
- Human capital resources - CGU 3	-	-
- Television channel - CGU 5	24,355	24,355
- Exhibition services (Malaysia subsidiary) - CGU 7	42,871	42,871
- Online portal - CGU 8	9,833	9,833
	77,059	77,059
	77,059	77,059
Carrying amount	21,932	21,932

	Group	
	2019 RM'000	2018 RM'000
Carrying amount as at 31 December represents		
- Radio broadcasting - CGU 1	21,932	21,932

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (cont'd)

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU based on the following assumptions:

- (i) The value-in-use calculations apply discounted cash flow projections prepared and approved by management, covering a 5-year period.
- (ii) Cash flows are projected based on management's expectations of revenue growth, operating cost and margins based on their recent experience.
- (iii) The forecasted growth rates are based on published industry data and do not exceed the sustainable long-term average growth rate for the relevant industries.
- (iv) Discount rates used for cash flows discounting purpose is the pre-tax discount rate of the Group plus a reasonable risk premium at the date of assessment of the CGU. The average discount rate applied on the cash flow projections is 9.50% (2018: 10.40%).

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Based on the annual impairment assessment undertaken by the Group, no impairment loss is required for the carrying amount of the remaining goodwill as at 31 December 2019 as the recoverable amount is in excess of the carrying amount.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

(b) Radio licences

	Group	
	2019 RM'000	2018 RM'000
Cost		
Balance as at 1 January/31 December	7,483	7,483
Accumulated amortisation		
Balance as at 1 January/31 December	7,483	7,483
Carrying amount	-	-

Amortisation of radio licences is calculated using the straight-line method to allocate the cost of the licences over their estimated useful lives of five (5) years. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

7. INTANGIBLE ASSETS (CONT'D)

(c) Programmes rights

	Group	
	2019 RM'000	2018 RM'000
Cost		
Balance as at 1 January	40,631	26,079
Additions	8,333	14,552
Balance as at 31 December	48,964	40,631
Accumulated amortisation		
Balance as at 1 January	20,440	7,673
Charge for the financial year	11,574	12,767
Balance as at 31 December	32,014	20,440
Carrying amount	16,950	20,191

Amortisation of programmes rights is calculated using the straight-line method to allocate the cost of programmes rights over their estimated useful lives of one (1) to five (5) years. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

(d) Computer software

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cost				
Balance as at 1 January	17,137	16,515	12,499	12,137
Additions	1,916	851	913	362
Disposal	-	(46)	-	-
Disposal of a subsidiary (Note 9(g))	-	(132)	-	-
Written off	(1,207)	(51)	-	-
Balance as at 31 December	17,846	17,137	13,412	12,499

7. INTANGIBLE ASSETS (CONT'D)

(d) Computer software (cont'd)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Accumulated amortisation				
Balance as at 1 January	14,761	13,829	12,188	12,106
Charge for the financial year	1,376	1,090	248	82
Disposal	-	(1)	-	-
Disposal of a subsidiary (Note 9(g))	-	(124)	-	-
Written off	(896)	(33)	-	-
Balance as at 31 December	15,241	14,761	12,436	12,188
Carrying amount	2,605	2,376	976	311

Computer software that does not form an integral part of the related hardware is treated as intangible assets with finite useful lives and is amortised over its estimated useful life of three (3) to five (5) years. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

(e) Film rights

	Group and Company	
	2019 RM'000	2018 RM'000
Films rights		
Cost		
Balance as at 1 January/31 December	3,550	3,550
Accumulated amortisation		
Balance as at 1 January/31 December	1,253	1,253
Accumulated impairment losses		
Balance as at 1 January/31 December	2,297	2,297
	-	-

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

7. INTANGIBLE ASSETS (CONT'D)

(e) Film rights (cont'd)

	Group and Company	
	2019 RM'000	2018 RM'000
Film under development		
Cost		
Balance as at 1 January	-	-
Addition	123	-
Reclassifications from property, plant and equipment (Note 5)	446	-
Balance as at 31 December	569	-
Carrying amount	569	-

Film rights are recognised after approvals are obtained from the censorship authority. Cost of film rights comprises contracted cost of production and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the film rights, which fairly represents the usage of its relevant attached rights.

The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The amortisation rates were as follows:

Upon first year from theatrical release	70%
Upon second year from theatrical release	20%
Upon third year from theatrical release	10%

Film under development is stated at cost and is not amortised until such time when the asset is available for use.

(f) Internet portal

	Group	
	2019 RM'000	2018 RM'000
Cost		
Balance as at 1 January/31 December	2,417	2,417
Accumulated amortisation		
Balance as at 1 January/31 December	2,417	2,417
Carrying amount	-	-

Amortisation of internet portal is calculated using the straight-line method to allocate the cost of the internet portal over its estimated useful life of four (4) years. The estimated useful life represents common life expectancy applied in the industry within which the Group operates.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

Right-of-use assets	Long term leasehold land RM'000	Plant and machinery RM'000	Premises RM'000	Total RM'000
2019 Group				
Cost				
Balance as at 1 January	-	-	-	-
Effect on adoption of MFRS 16 (Note 32.1)	3,406	12,150	3,532	19,088
Additions	-	10,963	177	11,140
Reclassification to investment properties (Note 6)	(1,806)	-	-	(1,806)
Balance as at 31 December	1,600	23,113	3,709	28,422
Accumulated depreciation				
Balance as at 1 January	-	-	-	-
Effect on adoption of MFRS 16 (Note 32.1)	1,478	2,356	956	4,790
Charge for the financial year	49	2,240	1,267	3,556
Reclassification to investment properties (Note 6)	(717)	-	-	(717)
Balance as at 31 December	810	4,596	2,223	7,629
Carrying amount	790	18,517	1,486	20,793
2019 Company				
Cost				
Balance as at 1 January	-	-	-	-
Effect on adoption of MFRS 16 (Note 32.1)	3,406	1,116	116	4,638
Additions	-	-	177	177
Reclassification to investment properties (Note 6)	(1,806)	-	-	(1,806)
Balance as at 31 December	1,600	1,116	293	3,009

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

Right-of-use assets (cont'd)	Long term leasehold land RM'000	Plant and machinery RM'000	Premises RM'000	Total RM'000
2019 Company				
Accumulated depreciation				
Balance as at 1 January	-	-	-	-
Effect on adoption of MFRS 16 (Note 32.1)	1,478	446	26	1,950
Charge for the financial year	49	223	120	392
Reclassification to investment properties (Note 6)	(717)	-	-	(717)
Balance as at 31 December	810	669	146	1,625
Carrying amount	790	447	147	1,384
Lease liabilities				
2019 Group				
Balance as at 1 January	-	3,315	-	3,315
Effect on adoption of MFRS 16 (Note 32.1)	-	7,241	2,462	9,703
Additions	-	10,963	177	11,140
Lease payments	-	(2,763)	(1,272)	(4,035)
Interest expense	-	1,062	127	1,189
Balance as at 31 December	-	19,818	1,494	21,312
Company				
Balance as at 1 January	-	1,348	-	1,348
Effect on adoption of MFRS 16 (Note 32.1)	-	-	91	91
Additions	-	-	177	177
Lease payments	-	(346)	(127)	(473)
Interest expense	-	70	10	80
Balance as at 31 December	-	1,072	151	1,223

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

Lease liabilities (cont'd)	Long term leasehold land RM'000	Plant and machinery RM'000	Premises RM'000	Total RM'000
2018				
Group				
Balance as at 1 January	-	2,497	-	2,497
Additions	-	1,860	-	1,860
Lease payments	-	(1,218)	-	(1,218)
Interest expense	-	176	-	176
Balance as at 31 December	-	3,315	-	3,315*

Company				
Balance as at 1 January	-	1,709	-	1,709
Additions	-	-	-	-
Lease payments	-	(431)	-	(431)
Interest expense	-	70	-	70
Balance as at 31 December	-	1,348	-	1,348*

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Represented by:				
Non-current	18,255	2,599	834	986
Current	3,057	716	389	362
Total lease liabilities	21,312	3,315	1,223	1,348
Lease liabilities owing to non-financial institutions	21,312	3,315	1,223	1,348

* In the previous financial year, lease liabilities of the Group and the Company were recognised as finance lease liabilities within borrowings.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal depreciation periods are as follows:

Long term leasehold land	72 years
Plant and machinery*	over the lease period from 4 to 10 years
Premises	over the lease period from 2 to 3 years

* Plant and machinery mainly relates to FM transmitters under finance lease arrangements (RM6,139,000) and their related equipment (RM11,931,000).

- (b) The Group and the Company have certain leases of premises with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (c) The following are the amounts recognised in profit or loss:

	Group	Company
	2019 RM'000	2019 RM'000
Depreciation charge of right-of-use assets (included in administrative and other expenses)	3,556	392
Interest expense on lease liabilities (included in finance costs)	1,189	80
Expense relating to short-term leases (included in administrative and other expenses)	139	139
Expense relating to leases of low-value assets (included in administrative and other expenses)	334	326
	5,218	937

- (d) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM4,035,000 and RM473,000 respectively.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

- (e) The Group and the Company lease several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the operations of the Group and Company. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The following are the undiscounted potential future rental payments that are not included in the lease term:

	Within five years RM'000	Total RM'000
2019		
Group		
Extension options expected not to be exercised	2,341	2,341
Company		
Extension options expected not to be exercised	148	148

- (f) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and the Company that are exposed to interest rate risk:

	Weighted average incremental borrowing rates %	Total RM'000	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	Over 5 years RM'000
Group						
2019						
Lease liabilities						
Fixed rates	3.60% - 6.45%	21,312	3,057	2,874	6,048	9,333
2018						
Lease liabilities						
Fixed rates	5.43%	3,315	716	515	1,148	936
Company						
2019						
Lease liabilities						
Fixed rates	3.60% - 6.40%	1,223	389	825	9	-
2018						
Lease liabilities						
Fixed rates	3.60%	1,348	362	362	624	-

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The Group and the Company as lessee (cont'd)

- (g) Sensitivity analysis for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.
- (h) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
2019				
Lease liabilities	4,302	12,252	10,423	26,977
2018				
Lease liabilities	900	2,081	1,076	4,057
Company				
2019				
Lease liabilities	465	846	-	1,311
2018				
Lease liabilities	432	1,068	-	1,500

The Group and the Company as lessor

- (a) The Group and the Company have entered into non-cancellable lease arrangements on properties for terms of between one (1) to three (3) years and renewable at the end of the lease period.

The Group and the Company have aggregate future minimum lease receivables as at the end of each reporting period as follows:

	Group and Company	
	2019 RM'000	2018 RM'000
Not later than one (1) year	1,648	735
Later than one (1) year and not later than five (5) years	2,268	399
	3,916	1,134

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM'000	2018 RM'000
Unquoted shares - at cost	117,460	146,011
Equity loans	96,958	96,958
	214,418	242,969
Less: Accumulated impairment losses		
- Unquoted shares	(102,221)	(74,992)
- Equity loans	(57,096)	(57,096)
	(159,317)	(132,088)
	55,101	110,881

The Directors of the Company have reassessed the nature of the amounts owing by subsidiaries and determined that the outstanding balance net of impairment amounting to RM39,862,000 (2018: RM39,862,000) shall constitute equity loans to the subsidiaries, which are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the investments of the Company in providing the subsidiaries with a long term source of additional capital.

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) The Company has assessed whether there are any indicators of impairment during the financial year. In doing this, management considered the current environments and performance of the Cash Generating Units ("CGUs"). Management has considered the losses in certain subsidiaries in the current financial year as impairment indicators.

Management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include different budgeted operating profit margins, growth rates, terminal values as well as determining an appropriate pre-tax discount rate used for each subsidiary. The average discount rate applied on the cash flow projections in determining the recoverable amount is 9.50% (2018: 10.40%).

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of the subsidiaries are as follows:

Interest in equity held by						
Name of company	Country of incorporation	Company		Subsidiary		Principal activities
		2019	2018	2019	2018	
Star Papyrus Printing Sdn. Bhd.	Malaysia	99%	99%	-	-	Inactive
Star Publications (Singapore) Pte. Ltd. ⁽¹⁾	Singapore	100%	100%	-	-	Advertising and commission agent
Star Media Radio Group Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Impian Ikon (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Laviani Pte. Ltd. ⁽¹⁾⁽²⁾	Singapore	-	100%	-	-	Wound up
SMG Business Services Sdn. Bhd.	Malaysia	100%	100%	-	-	Providing shared services
SMG Entertainment Sdn. Bhd.	Malaysia	100%	100%	-	-	Providing on-demand internet streaming media
Star MediaWorks Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Li TV Holdings Limited ⁽¹⁾	Hong Kong	100%	100%	-	-	Investment holding
I.Star Ideas Factory Sdn. Bhd.	Malaysia	90%	90%	-	-	Home & lifestyle exhibition including rental of booth and storage
Eighth Power Sdn. Bhd.	Malaysia	100%	100%	-	-	Invest in high growth technology based start-ups
Magnet Bizz Sdn. Bhd.	Malaysia	100%	100%	-	-	Publishers of magazines and books
I. Star Events Sdn. Bhd.	Malaysia	100%	100%	-	-	Provision of events management

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of the subsidiaries are as follows (cont'd):

Interest in equity held by						
Name of company	Country of incorporation	Company		Subsidiary		Principal activities
		2019	2018	2019	2018	
Subsidiaries of Star MediaWorks Sdn. Bhd.						
StarProperty Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising and provision of property exhibitions services
I. Star Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
MyStarJob Network Sdn. Bhd.	Malaysia	-	-	100%	100%	Online advertising
Ocision Sdn. Bhd.	Malaysia	-	-	100%	100%	Investment holding
Subsidiaries of Ocision Sdn. Bhd.						
iBilik Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Propwall Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Carsifu Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Ocision Pte. Ltd. ⁽³⁾	Singapore	-	-	100%	100%	Developing and provision of e-commerce activities and services
Subsidiaries of Star Media Radio Group Sdn. Bhd.						
Star Rfm Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station
Rimakmur Sdn. Bhd.	Malaysia	-	-	100%	100%	Operating a wireless radio broadcasting station
Subsidiaries of Li TV Holdings Limited						
Li TV Asia Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
Li TV Asia Pte. Ltd. ^{(1) (2)}	Singapore	-	-	-	100%	Wound up
Li TV International Limited ⁽¹⁾	Hong Kong	-	-	100%	100%	Inactive

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Interest in equity held by		Subsidiary		Principal activities
		Company	Company	2019	2018	
		2019	2018	2019	2018	

Subsidiary of SMG Entertainment Sdn. Bhd.

SMG Production and Distribution Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive
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(1) Audited by member firms of BDO International.

(2) Details of dissolution of Laviani Pte. Ltd. and Li TV Asia Pte. Ltd. during the financial year are disclosed in Note 9(f) to the financial statements.

(3) Not audited by BDO PLT or member firms of BDO International.

(d) Impairment losses on investments in subsidiaries amounting to RM27,229,000 (2018: RM4,146,000) have been recognised in respect of certain subsidiaries due to declining business operations. The recoverable amounts of these subsidiaries were based on their value-in-use amounts.

In the previous financial year, impairment losses on equity loans amounted to RM919,000 had been reversed due to settlements made by certain subsidiary.

(e) Impairment for equity loans are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 12(i) to the financial statements. Movements in the impairment allowance for equity loans are as follows:

	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
Company				
At 1 January/31 December	-	-	57,096	57,096

(f) Dissolution of subsidiaries

On 24 August 2019, the Company dissolved a wholly-owned subsidiary, Laviani Pte. Ltd. ("Laviani") pursuant to Section 308(5) of the Companies Act, Chapter 50. Accordingly, the cumulative amounts of the foreign exchange differences of RM2,864,000 relating to Laviani had been reclassified to profit and loss and a loss on dissolution was recognised.

On 21 September 2019, the Company dissolved an indirect wholly-owned subsidiary, Li TV Asia Pte. Ltd. ("Li TV") pursuant to Section 308(5) of the Companies Act, Chapter 50. Accordingly, the gain on dissolution of Li TV amounting to RM58,000 was recognised in profit and loss.

(g) Disposal of a subsidiary - Leaderonomics Sdn. Bhd. ("Leaderonomics")

In the previous financial year, on 13 August 2018, the Group completed the disposal of its entire equity interest (equivalent to 51%) in a subsidiary, Leaderonomics Sdn. Bhd., a company incorporated in Malaysia, which was engaged in human capital development services including training and consultancy for a total cash consideration of RM5,650,000.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) Disposal of a subsidiary - Leaderonomics Sdn. Bhd. ("Leaderonomics") (cont'd)

The gain on disposal of the subsidiary in the previous financial year was as follows:

	2018 Group RM'000
Property, plant and equipment (Note 5)	400
Intangible assets (Note 7)	8
Deferred tax assets (Note 13)	137
Inventories	22
Trade and other receivables	2,316
Cash and bank balances	2,633
Current tax assets	339
Trade and other payables	(1,639)
Non-controlling interest	(91)
Net assets disposed	4,125
Non-controlling interests at the date of disposal	(1,971)
	2,154
Gain on disposal of subsidiary	3,496
Net consideration from disposal	5,650
Cash and bank balances of subsidiaries disposed	(2,633)
Net cash inflow on disposal	3,017

(h) Acquisition of additional interest in a subsidiary - SMG Entertainment Sdn. Bhd. ("SMGE")

In the previous financial year, on 10 April 2018, SMGE increased its issued and paid-up capital from 40,000,000 ordinary shares to 50,000,000 ordinary shares by an allotment of 10,000,000 ordinary shares. Subsequently on 19 June 2018, SMGE increased its issued and paid-up capital from 50,000,000 ordinary shares to 55,000,000 ordinary shares by an allotment of another 5,000,000 ordinary shares. In the previous financial year, the Company subscribed for 15,000,000 ordinary shares in SMGE for a total consideration of RM15,000,000. Following the subscription of shares, the equity interest of the Company in SMGE remained at 100%.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (i) The Group does not have any subsidiary that has non-controlling interests ("NCI"), which is individually material to the Group for the financial year ended 31 December 2019. The subsidiaries of the Group that have NCI are as follows:

	Leaderonomics Sdn. Bhd.	Other individual immaterial subsidiaries	Total
2019			
Carrying amount of NCI (RM'000)	-	(1,807)	(1,807)
Profit allocated to NCI (RM'000)	-	44	44
2018			
Carrying amount of NCI (RM'000)	-	(1,851)	(1,851)
Profit allocated to NCI (RM'000)	36	197	233

10. INVESTMENTS IN ASSOCIATES

	Group	
	2019 RM'000	2018 RM'000
At cost:		
- Unquoted equity shares	2,300	2,300
- Share of post-acquisition losses, net of dividends received	(583)	(583)
Less: Impairment losses	(1,717)	(1,717)
	-	-

- (a) Investments in associates are measured at cost less impairment losses and accounted for using the equity method in the consolidated financial statements.

10. INVESTMENTS IN ASSOCIATES (CONT'D)

(b) The details of the associates are as follows:

Name of company	Country of incorporation	Interest in equity held by subsidiary		Principal activities
		2019	2018	
H&H Connection Sdn. Bhd. ⁽¹⁾	Malaysia	30%	30%	Online retailer
Geob International Sdn. Bhd. ⁽¹⁾	Malaysia	20%	20%	Distributors or dealers of medical products, electronic devices and engineering specialities

⁽¹⁾ Not audited by BDO PLT or member firms of BDO International.

All the above associates are accounted for using the equity method in the consolidated financial statements.

(c) The Group does not have any associate, which is individually material to the Group for the financial years ended 31 December 2019 and 31 December 2018.

11. OTHER INVESTMENTS

	Group and Company	
	2019 RM'000	2018 RM'000
Non-current		
Equity securities		
- Quoted investment funds in Malaysia	-	10,132
- Quoted equity investments in Malaysia	71	118
Total non-current other investments	71	10,250

(a) Other investments are classified as financial assets at fair value through profit or loss.

(b) The fair values of quoted investments in Malaysia are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period.

NOTES TO THE
FINANCIAL STATEMENTS
 31 DECEMBER 2019 (cont'd)

11. OTHER INVESTMENTS (CONT'D)

(c) The fair value of other investments of the Group and of the Company are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group and Company				
2019				
Other investments				
- Quoted equity investments	71	-	-	71
2018				
Other investments				
- Quoted investment funds	10,132	-	-	10,132
- Quoted equity investments	118	-	-	118

Sensitivity analysis of quoted investment funds and quoted equity investments

As the Group and the Company neither have the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group and the Company are not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year.

12. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current					
Non-trade					
Subsidiary	(c)	-	-	47,260	25,593
Less: Impairment losses		-	-	(2,445)	(1,265)
		-	-	44,815	24,328
Current					
Trade					
Third parties		42,782	50,303	33,621	39,443
Less: Impairment losses		(4,236)	(6,112)	(2,589)	(3,301)
Trade receivables, net	(b)	38,546	44,191	31,032	36,142
Non-trade					
Third parties		12,769	8,044	6,679	6,895
Subsidiaries	(d)	-	-	27,623	27,595
		12,769	8,044	34,302	34,490
Less: Impairment losses					
- Third parties		(3,456)	(3,504)	(3,456)	(3,456)
- Subsidiaries		-	-	(16,240)	(16,240)
		9,313	4,540	14,606	14,794
Sundry deposits and other receivables		2,493	4,015	1,488	2,614
Total current trade and other receivables, excluding prepayments					
		50,352	52,746	47,126	53,550
Prepayments					
Prepayments		15,542	18,022	9,656	9,732
Total current trade and other receivables					
		65,894	70,768	56,782	63,282
Total trade and other receivables					
		65,894	70,768	101,597	87,610

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Total trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group and the Company range from payment in advance to credit period of 90 days (2018: payment in advance to credit period of 90 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Non-current amount owing by a subsidiary represents unsecured advances, which bear interest at 3.25% (2018: 3.25%) per annum. The advances together with the interest receivable thereon are not payable within the next twelve (12) months.
- (d) Current amounts owing by subsidiaries are in respect of advances, which are unsecured, interest free and payable within next twelve (12) months in cash and cash equivalents.
- (e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the following common credit risk characteristics - type of services purchased.

The expected loss rates are based on the historical credit losses of the Group experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the customers of the Group. The Group has identified the advertising expenditure ("ADEX") as the key macroeconomic factor.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

- (f) Lifetime expected loss provision for trade receivables as at the end of the reporting period are as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 180 days past due	Total RM'000
2019							
Group							
Expected loss rate	1.3%	2.2%	4.0%	17.1%	41.7%	95.3%	
Gross carrying amount (RM'000)	19,670	11,261	5,653	1,800	1,850	2,548	42,782
Impairment losses (RM'000)	254	250	224	308	772	2,428	4,236

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(f) Lifetime expected loss provision for trade receivables as at the end of the reporting period are as follows (cont'd):

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 180 days past due	Total RM'000
2019							
Company							
Expected loss rate	0.6%	1.5%	2.2%	9.2%	21.2%	94.0%	
Gross carrying amount (RM'000)	15,188	9,189	4,824	1,069	1,366	1,985	33,621
Impairment losses (RM'000)	88	142	107	98	289	1,865	2,589
2018							
Group							
Expected loss rate	2.1%	3.2%	5.9%	24.6%	53.7%	99.3%	
Gross carrying amount (RM'000)	25,622	10,485	6,016	2,414	3,171	2,595	50,303
Impairment losses (RM'000)	549	338	353	594	1,702	2,576	6,112
Company							
Expected loss rate	1.7%	1.7%	4.0%	13.1%	25.9%	99.1%	
Gross carrying amount (RM'000)	20,798	8,206	5,198	1,315	1,981	1,945	39,443
Impairment losses (RM'000)	344	138	207	172	513	1,927	3,301

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (g) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Maximum exposure	42,782	50,303	33,621	39,443
Collateral obtained	(15,283)	(16,899)	(15,283)	(16,899)
Net exposure to credit risk	27,499	33,404	18,338	22,544

The above collaterals are bank guarantees obtained by entities incorporated in Malaysia.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (h) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 January	6,112	5,815	3,301	2,915
Charge for the financial year	1,073	2,118	685	860
Written off	(722)	(346)	(633)	(87)
Reversal of impairment losses on trade receivables	(2,227)	(899)	(764)	(387)
Disposal of a subsidiary	-	(576)	-	-
At 31 December	4,236	6,112	2,589	3,301

- (i) Impairment for other receivables, amounts owing by subsidiaries and equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group defined significant increase in credit risk based on past due information, i.e. overdue amounts.

The probabilities of non-payment by other receivables and subsidiaries are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and subsidiaries.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables and subsidiaries, appropriate forward-looking information and significant increase in credit risk.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(j) No expected credit loss is recognised arising from other receivables as it is negligible.

(k) Movements in the impairment allowance for amounts owing by subsidiaries are as follows:

	Company	
	2019 RM'000	2018 RM'000
At 1 January	17,505	14,092
Charge for the financial year	1,180	5,094
Reversal of impairment losses	-	(1,681)
At 31 December	18,685	17,505

(l) The currency exposure profiles of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	48,433	50,979	91,939	68,218
Singapore Dollar	1,917	1,758	-	3
United States Dollar	-	6	-	9,654
British Pound	2	3	2	3
	50,352	52,746	91,941	77,878

(m) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Effects of 3% changes to RM against foreign currencies				
Profit after tax				
- United States Dollar	-	-*	-	220
- Singapore Dollar	44	40	-	-*

The exposures of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

* Amount was immaterial to disclose

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (n) The following table sets out the carrying amount, the weighted average effective interest rate as at the end of each reporting period and the remaining maturity of the amount owing by a subsidiary of the Company that is exposed to interest rate risk:

	Weighted average effective interest rate per annum %	Within 1 year RM'000	More than 1 year RM'000	Total RM'000
Company				
2019				
Fixed rate	3.25%	-	44,815	44,815
2018				
Fixed rate	3.25%	-	24,328	24,328

Non-trade amount owing by a subsidiary, which bears interest at 3.25% is similar to the market incremental lending rate offered by financial institutions and hence, the carrying amount is reasonable approximation of fair value.

- (o) Sensitivity analysis for fixed rate instrument as at the end of the reporting period is not presented as fixed rate instrument is not affected by change in interest rate.
- (p) The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

	Group			
	2019		2018	
	RM'000	% of total	RM'000	% of total
By country				
Malaysia	38,546	100%	44,191	100%
By industry sectors				
Print and digital	33,283	86%	38,022	86%
Broadcasting	3,215	8%	3,706	8%
Event and exhibition	2,048	6%	2,463	6%
	38,546	100%	44,191	100%

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries constituting 61% (2018: 46%) of total receivables of the Company. The Company does not anticipate the carrying amounts recorded at the end of the reporting period to be significantly different from the values that would eventually be received.

13. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Balance as at 1 January	23,511	21,977	27,480	25,481
Effect on adoption of MFRS 16 (Note 32.1)	(35)	-	-*	-
As restated	23,476	21,977	27,480	25,481
Recognised in profit or loss (Note 24)	(70)	1,397	(832)	1,999
Disposal of a subsidiary (Notes 9(g))	-	137	-	-
Balance as at 31 December	23,406	23,511	26,648	27,480
Presented after appropriate offsetting:				
Deferred tax assets, net	(3,397)	(4,158)	-	-
Deferred tax liabilities, net	26,803	27,669	26,648	27,480
	23,406	23,511	26,648	27,480

* Amount is immaterial to disclose

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

13. DEFERRED TAX (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM'000	Accrual for staff costs RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2019	3	(1,966)	(7,263)	5,068	(4,158)
Effect on adoption of MFRS 16 (Note 32.1)	-	-	(1)	-	(1)
Opening deferred tax assets	3	(1,966)	(7,264)	5,068	(4,159)
Recognised in profit or loss	117	823	(3,359)	3,181	762
At 31 December 2019	120	(1,143)	(10,623)	8,249	(3,397)
At 1 January 2018	(679)	(2,035)	(6,404)	5,061	(4,057)
Recognised in profit or loss	682	69	(996)	7	(238)
Disposal of a subsidiary	-	-	137	-	137
At 31 December 2018	3	(1,966)	(7,263)	5,068	(4,158)

13. DEFERRED TAX (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows (cont'd):

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Other temporary differences RM'000	Set-off of tax RM'000	Total RM'000
At 1 January 2019	32,250	487	(5,068)	27,669
Effect on adoption of MFRS 16 (Note 32.1)	-	(34)	-	(34)
Opening deferred tax liabilities	32,250	453	(5,068)	27,635
Recognised in profit or loss	(304)	2,653	(3,181)	(832)
At 31 December 2019	31,946	3,106	(8,249)	26,803
At 1 January 2018	31,343	(248)	(5,061)	26,034
Recognised in profit or loss	907	735	(7)	1,635
At 31 December 2018	32,250	487	(5,068)	27,669

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Accrual for staff costs RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2019	31,550	(1,353)	(2,717)	27,480
Effect on adoption of MFRS 16 (Note 32.1)	-	-	_*	_*
Opening deferred tax liabilities	31,550	(1,353)	(2,717)	27,480
Recognised in profit or loss	474	604	(1,910)	(832)
At 31 December 2019	32,024	(749)	(4,627)	26,648
At 1 January 2018	30,387	(1,579)	(3,327)	25,481
Recognised in profit or loss	1,163	226	610	1,999
At 31 December 2018	31,550	(1,353)	(2,717)	27,480

* Amount is immaterial to disclose

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

13. DEFERRED TAX (CONT'D)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2019 RM'000	2018 RM'000
Unabsorbed capital allowances	2,214	1,961
Other temporary differences	(15,192)	(18,598)
Unused tax losses		
- No expiry date	2,542	2,509
- Expires by 31 December 2025	59,985	59,993
- Expires by 31 December 2026	10,282	-
	59,831	45,865

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

14. INVENTORIES

	Group and Company	
	2019 RM'000	2018 RM'000
At cost		
Newsprint	22,748	36,251
Other raw materials and consumables	14	12
	22,762	36,263

- (a) Cost of newsprint of the Group and of the Company is determined on a weighted average basis while cost of other raw materials and consumables of the Group and of the Company is determined on a first-in-first-out basis.
- (b) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM33,108,000 (2018: RM43,325,000) and RM33,108,000 (2018: RM43,325,000) respectively.

15. DERIVATIVE (LIABILITIES)/ASSETS

	Group and Company			
	2019		2018	
	Contract amount RM'000	Financial liabilities RM'000	Contract amount RM'000	Financial assets RM'000
Forward currency contracts	1,454	(28)	4,033	39

- (a) The Group and the Company entered into one (1) currency forward contract (2018: three (3)) with a financial institution.
- (b) These currency forward contracts were entered into with the objective of managing exposures to currency risk for payables, which are denominated in a currency other than the functional currencies of the Group and of the Company. The fair values of the forward currency contracts have been determined based on counter parties' quotes as at the end of each reporting period.
- (c) The above derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.
- (d) During the financial year, the Group and the Company recognised a net loss of RM67,000 (2018: net gain of RM9,000) arising from fair value changes of derivative (liabilities)/assets.
- (e) The fair value of derivative (liabilities)/assets of the Group and of the Company are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group and Company				
2019				
Derivative liabilities				
- Forward currency contracts	(28)	-	-	(28)
2018				
Derivative assets				
- Forward currency contracts	39	-	-	39

There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

15. DERIVATIVE (LIABILITIES)/ASSETS (CONT'D)

- (f) The notional amount and maturity date of the forward currency contracts outstanding as at 31 December 2019 and 31 December 2018 are as follows:

	Contractual amount in Foreign Currency (FC'000)	Equivalent amount in Ringgit Malaysia (RM'000)	Expiry date
Group and Company			
2019			
United States Dollar	348	1,454	04.05.2020
2018			
United States Dollar	19	78	28.02.2019
United States Dollar	500	2,085	02.07.2019
United States Dollar	450	1,870	03.07.2019

16. CASH AND BANK BALANCES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	61,957	97,265	24,805	28,108
Deposits placed with licensed banks	323,971	202,765	284,640	192,126
	385,928	300,030	309,445	220,234

- (a) The weighted average effective interest rates of deposits of the Group and of the Company at the end of each reporting period are as follows:

	Group		Company	
	2019	2018	2019	2018
Weighted average effective interest rates				
- Fixed rates	3.80%	3.66%	3.92%	3.85%

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments is not affected by changes in interest rates.

16. CASH AND BANK BALANCES (CONT'D)

- (b) Deposits of the Group and of the Company have a range of maturity period of 7 days to 184 days (2018: 7 days to 184 days) and 1 day (2018: 7 days to 184 days) respectively.
- (c) The currency exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	382,954	297,249	307,835	219,796
Singapore Dollar	2,283	907	1,583	409
United States Dollar	683	1,864	19	19
Chinese Renminbi	5	5	5	5
British Pound	3	5	3	5
	385,928	300,030	309,445	220,234

- (d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Effects of 3% changes to RM against foreign currencies				
Profit after tax				
- Singapore Dollar	52	21	36	9
- United States Dollar	16	42	—*	—*

The exposures of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

* Amount is immaterial to disclose

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

16. CASH AND BANK BALANCES (CONT'D)

- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	61,957	97,265	24,805	28,108
Deposits placed with licensed banks	323,971	202,765	284,640	192,126
Less:				
Deposits placed with licensed banks with original maturity of more than three (3) months	(606)	(17,717)	-	(17,123)
	385,322	282,313	309,445	203,111

- (f) No expected credit loss is recognised arising from the cash and bank balances and deposits placed with licensed banks because the probability of default by these financial institutions is negligible.

17. SHARE CAPITAL AND TREASURY SHARES

	Company			
	2019		2018	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid up ordinary shares	738,564	738,564	738,564	738,564

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regards to the residual assets of the Company.

17. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

(b) Treasury shares

At an Extraordinary General Meeting held on 18 May 2005, the shareholders of the Company approved the proposal to repurchase up to 10% of its own shares ("Share Buy-Back") of the Company. The authority granted by the shareholders has been renewed at each subsequent Annual General Meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy-Back is in the best interest of the Company and its shareholders.

The details of the treasury shares are as follows:

Year	Number of shares re-purchased '000	Total consideration paid RM'000	Transaction costs RM'000	Average price per share RM
2009	70	225	1	3.18
2012	125	358	2	2.86
2013	412	1,050	5	2.54
2017	80	136	—*	1.69
	687	1,769	8	2.57

* Amount was immaterial to disclose

The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

Of the total 738,563,602 issued and fully paid ordinary shares as at 31 December 2019, there are 687,200 (2018: 687,200) ordinary shares with a cumulative total consideration amounting to RM1,769,480 (2018: RM1,769,480) held as treasury shares by the Company. The number of outstanding shares in issue after the Share Buy-Back is 737,876,402 (2018: 737,876,402) ordinary shares as at 31 December 2019.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends or participation in other distribution.

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FINANCIAL STATEMENTS
 31 DECEMBER 2019 (cont'd)

18. RESERVES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-distributable:				
Foreign exchange translation reserve	2,711	(195)	-	-
	2,711	(195)	-	-
Distributable:				
Retained earnings	78,959	95,682	56,211	65,916
	81,670	95,487	56,211	65,916

(a) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Trade payables	(b)				
Third parties		1,487	2,985	543	734
Subsidiaries		-	-	2,274	42,415
		1,487	2,985	2,817	43,149
Other payables					
Subsidiaries	(c)	-	-	4,702	1,275
Other payables	(d)	55,156	7,631	53,929	3,794
Accruals	(e)	27,677	55,037	16,596	37,817
Provision for restoration cost	(f)	277	-	-	-
Deferred income	(g)	14,035	8,649	9,853	3,611
Deposits from agents, subscribers and customers		10,014	10,647	10,014	10,647
		107,159	81,964	95,094	57,144
		108,646	84,949	97,911	100,293

- (a) Trade and other payables (excluding deferred income) are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from one (1) month to four (4) months (2018: 1 to 4 months).
- (c) Amounts owing to subsidiaries represent payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) Other payables of the Group and of the Company included an amount of RM50,000,000 (2018: RM Nil) in relation to the bank guarantees received as disclosed in Note 29(c) to the financial statements.
- (e) Included in the accruals of the Group and of the Company are payroll related accruals amounting to RM14,290,000 (2018: RM32,819,000) and RM11,852,000 (2018: RM29,271,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

19. TRADE AND OTHER PAYABLES (CONT'D)

- (f) Provision for restoration cost comprises estimate of reinstatement cost for a premise upon termination of tenancy. A reconciliation of the provision for restoration cost is as follows:

	Group 2019 RM'000
Balance as at 1 January	-
Effect on adoption of MFRS 16 (Note 32.1)	260
Recognised in profit or loss	17
Balance as at 31 December	277

The Group estimates provision for restoration cost based on historical cost incurred per square feet of rent area. The estimated provision for restoration cost is reviewed periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimate, the differences would impact the carrying amount of provision for restoration cost of the Group.

- (g) A reconciliation of the deferred income is as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Balance as at 1 January	8,649	20,635	3,611	6,674
Additions during the financial year	68,991	70,367	44,177	29,208
Recognised as revenue during the financial year	(63,605)	(82,353)	(37,935)	(32,271)
Balance as at 31 December	14,035	8,649	9,853	3,611

Deferred income comprises consideration received in advance from customers for advertisement and exhibition services as well as subscription of newspapers and magazines by the customers.

19. TRADE AND OTHER PAYABLES (CONT'D)

- (h) The currency exposure profiles of trade and other payables (net of deferred income) are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Ringgit Malaysia	87,812	66,109	86,928	54,449
United States Dollar	5,798	9,291	619	379
British Pound	510	537	510	537
Singapore Dollar	490	267	-	41,317
Australian Dollar	1	-	1	-
Euro	-	96	-	-
	94,611	76,300	88,058	96,682

- (i) Sensitivity analysis of RM against foreign currencies at the end of each reporting period, assuming that all other variables remain constant is as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Effects of 3% changes to RM against foreign currencies				
Profit after tax				
- United States Dollar	133	211	14	8
- British Pound	12	12	12	12
- Singapore Dollar	11	6	-	942

The exposures of other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

- (j) The maturity profile of the trade and other payables (excluding deferred income) of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable within one year.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

20. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
<i>Revenue from contracts with customers</i>				
Publication, printing, distribution of newspapers and magazines and digital	264,306	324,009	258,276	321,189
Event management and exhibition	23,820	29,476	4,907	4,657
Broadcasting	24,822	29,514	-	-
Subscription and distribution	2,986	2,474	-	-
Others	-	7,207	-	-
	315,934	392,680	263,183	325,846

(a) Sales of goods

Revenue from sales of goods represents the invoiced value arising from the publication, printing, distribution of newspapers, magazines and online advertisements (net of returns, goods and service tax and sales and service tax).

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Services

Revenue from services represents the invoiced value arising from the broadcasting of commercials on radio (net of goods and service tax and sales and services tax), distribution of media titles/rights and subtitles, subscription fees for on-demand internet streaming media (net of goods and service tax and sales and services tax), and provision of services on training and consultancy (net of goods and service tax and sales and services tax). Revenue is recognised at a point in time when services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

Revenue from events and exhibitions, which consists of rental of booth and storage for home and lifestyle exhibitions are recognised at a point in time based on the occurrence of the events.

(c) Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on major product and service line and geographical location from which the sale transactions originated. No revenue was recognised over time.

21. COST OF SALES AND SERVICES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Publication, printing, distribution of newspapers and magazines and digital	118,102	147,132	118,428	148,630
Event management and exhibition	15,904	18,240	3,093	3,037
Broadcasting	1,502	2,359	-	-
Subscription and distribution	12,577	13,887	-	-
Others	-	2,766	-	-
	148,085	184,384	121,521	151,667

22. FINANCE COSTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest expenses on:				
- Medium Term Notes	-	1,800	-	1,800
- Lease liabilities	1,189	176	80	70
- Unwinding of discount on provision for restoration cost	17	-	-	-
	1,206	1,976	80	1,870

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

23. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
After charging:				
Auditors' remuneration:				
BDO Malaysia				
- Statutory				
- Current year	366	355	244	236
- Non-statutory				
- Current year	11	11	11	11
Other auditors				
- Statutory				
- Current year	53	74	-	-
Directors' remuneration payable to:				
- Directors of the Company				
- fees	700	653	700	653
- other emoluments	390	1,955	318	1,883
- Directors of subsidiaries				
- fees	21	36	-	-
- other emoluments	696	696	-	-
Fair value loss on other investments	179	410	179	410
Foreign exchange loss:				
- realised	311	358	107	153
- unrealised	-	5	-	2,575
Loss on disposal of property, plant and equipment	66	-	66	-
Net loss on dissolution of subsidiaries	2,806	-	-	-
Operating lease rental	326	388	326	388
Rental of equipment	8	12	-	-
Rental of premises	168	1,604	139	220
Rental of warehouse	38	39	-	-

23. PROFIT BEFORE TAX (CONT'D)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at (cont'd):

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
And crediting:					
Dividend income		-	-	-	3,540
Foreign exchange gain:					
- unrealised		7	-	8	-
Gain on disposal of property, plant and equipment		-	15	-	11
Gain on dissolution of a subsidiary		-	-	11,762	-
Interest income		4,919	3,436	4,219	2,646
Investment income		8,729	8,102	8,359	7,491
Rental income:					
- investment properties	6(d)	884	779	884	779
- others		937	693	1,712	1,029

The estimated monetary value of benefits-in-kind received by Directors of the Company not included above was RM94,000 (2018: RM186,000).

(a) Other income

(i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(ii) Dividend income

Dividend income is recognised when the rights to receive payment is established.

(iii) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight line basis.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

24. TAX EXPENSE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current year tax expense based on profit for the financial year				
- Malaysian income tax	9,838	3,500	7,905	597
Over provision in prior years				
- Malaysian income tax	(846)	(1,420)	(510)	(777)
	8,992	2,080	7,395	(180)
Deferred tax (Note 13)				
- Relating to origination and reversal of temporary differences	(2,591)	1,097	(3,317)	1,332
- Under provision in prior years	2,521	300	2,485	667
	(70)	1,397	(832)	1,999
Tax expense	8,922	3,477	6,563	1,819

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

24. TAX EXPENSE (CONT'D)

- (c) The numerical reconciliation between taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before tax	14,643	8,936	18,995	27,940
Taxation at Malaysian statutory rate of 24% (2018: 24%)	3,514	2,144	4,559	6,706
Expenses not deductible for tax purposes	5,768	10,693	8,307	4,775
Income not subject to tax	(5,459)	(10,154)	(8,278)	(9,552)
Deferred tax assets not recognised	3,352	1,922	-	-
Difference in tax rates in foreign jurisdiction	72	(8)	-	-
(Over)/Under provision in prior years	7,247	4,597	4,588	1,929
- corporate tax	(846)	(1,420)	(510)	(777)
- deferred tax	2,521	300	2,485	667
Tax expense	8,922	3,477	6,563	1,819

- (d) Tax on each component of other comprehensive income is as follows:

	Group					
	2019			2018		
	Before tax RM'000	Tax effect RM'000	After tax RM'000	Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	42	-	42	(129)	-	(129)
Reclassification of foreign exchange translation reserve to profit and loss on dissolution of a foreign subsidiary	2,864	-	2,864	-	-	-

- (e) Uncertainty over income tax treatments

There is no material effect on the financial performance or position of the Group and the Company on the first-time adoption of the IC Interpretation 23 *Uncertainty over Income Tax Treatments*.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

25. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2019	2018
In RM'000		
Profit attributable to equity holders of the parent	5,677	5,226
In '000		
Weighted average number of ordinary shares in issue	738,564	738,564
Weighted average number of treasury shares held	(687)	(687)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	737,877	737,877
In sen		
Basic earnings per ordinary share	0.77	0.71

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

26. DIVIDENDS

	Group and Company	
	Dividend per ordinary share sen	Amount of dividend RM'000
2019		
2018 Second interim dividend paid	3.0	22,136
2018		
2017 Second interim dividend paid	6.0	44,273

Subsequent to the financial year, on 27 February 2020, the Directors declared an interim single tier dividend of 2.0 sen per ordinary share, which amounted to approximately RM14,758,000 in respect of the financial year ended 31 December 2019. The dividend was paid on 17 April 2020 to the shareholders whose names appear in the Record of Depositors at the close of business on 31 March 2020. The financial statements for the current financial year do not reflect the proposed dividend.

27. EMPLOYEE BENEFITS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries and wages	116,313	155,243	84,643	121,346
Defined contribution retirement plans	16,947	19,526	12,418	14,631
Others	4,241	7,260	1,877	4,312
	137,501	182,029	98,938	140,289

Included in employee benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM696,000 (2018: RM2,303,000) and RM Nil (2018: RM1,607,000) respectively.

28. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements;
- (ii) Associates as disclosed in Note 10 to the financial statements;
- (iii) Companies in which certain Directors of the Company have financial interests;
- (iv) Companies in which a Director of the subsidiaries has financial interests; and
- (v) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

NOTES TO THE
FINANCIAL STATEMENTS
31 DECEMBER 2019 (cont'd)

28. RELATED PARTIES DISCLOSURES (CONT'D)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Company	
	2019 RM'000	2018 RM'000
Subsidiaries		
Dividend income	-	3,540
Interest income	1,228	432
Jobbing income	326	1,019
Management fees	-	44
Purchase of subscription	12	-
Rental income	774	358
Sales of advertisement space	76	19
Shared services cost	31,728	28,624

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Companies in which certain Directors of the Company deemed to have financial interests				
Sales of advertisement space	367	16,793	367	16,793
Companies in which a Director of the subsidiaries deemed to have financial interests				
Sales of advertisement space	8,891	-	8,891	-

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2019 is disclosed in Notes 12 and 19 to the financial statements.

28. RELATED PARTIES DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of the Directors and other member of key management during the financial year was as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors				
Short term employee benefits	484	1,897	412	1,825
Contributions to defined contribution plans	-	244	-	244
	484	2,141	412	2,069
Other member of key management				
Short term employee benefits	439	-	439	-
Contributions to defined contribution plans	12	-	12	-
	451	-	451	-
Total compensation of key management personnel	935	2,141	863	2,069

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

29. CONTINGENT LIABILITIES

- (a) There are several libel suits, which involve claims against the Group and the Company of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting with their legal counsel for litigation cases and internal and external experts to the Group and the Company for matters in the ordinary course of business, the Directors and management do not expect the amounts of liabilities, if any, to be material to the financial statements.
- (b) Contingent liabilities that are not carried at fair values and whose carrying amounts are not reasonable approximation of fair values, are as follows:

	2019		2018	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group and Company				
Unrecognised financial liabilities				
- Contingent liabilities				
- Litigations	-	420	-	899

The fair value of contingent liabilities is categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (c) Outstanding litigation with JAKS Island Circle Sdn. Bhd. ("JIC") and JAKS Resources Berhad ("JRB") on delay of delivery of vacant possession of Tower A at Section 13

On the sale and purchase agreement dated 19 August 2011 made between the Company and JIC ("SPA"), which had expired on 15 February 2018 for the delivery of vacant possession of its investment property under construction ("Tower A"), the Company had on 15 February 2018 called on the two (2) bank guarantees issued by United Overseas Bank (Malaysia) Berhad and AmBank (M) Berhad respectively (collectively, "Banks") amounting to RM50.0 million pledged as security by JIC under the SPA.

After numerous rounds of court hearings and appeals in financial year 2018, the Company had received the latest update on 7 January 2019 where the Federal Court had unanimously dismissed JIC's Federal Court's Leave Applications with costs awarded to the Company. In relation to this, the Company received the bank guarantees on 9 January 2019.

The Company had on 19 April 2019 filed a Writ and Statement of Claim against JRB for inter alia:

- (i) specific relief for JRB to complete or cause to be completed JIC's obligations under the SPA namely the completion and delivery of Vendor's Entitlement by 31 October 2019 in full and proper compliance with the terms of the SPA; and
- (ii) damages being late payment interest calculated at the rate of 8% per annum on the balance purchase price of RM134,500,000 from 25 October 2015 to 31 October 2019 ("Corporate Guarantee Claim").

On 31 May 2019, the Company announced that it had been served with a Writ of Summons and Statement of Claim both dated 30 May 2019, which amounted to RM595.3 million in addition to exemplary damages, interest, costs and such further relief that may be just. Among the reliefs sought were the refund of RM50.0 million bank guarantees together with all interests and related costs incurred thereto.

On 1 August 2019, the Company filed an application to strike out the JIC's and JRB's claim against the Company. In addition, the Company has filed an application for summary relief in respect of the Company's Corporate Guarantee claim against JRB.

29. CONTINGENT LIABILITIES (CONT'D)

- (c) Outstanding litigation with JAKS Island Circle Sdn. Bhd. ("JIC") and JAKS Resources Berhad ("JRB") on delay of delivery of vacant possession of Tower A at Section 13 (cont'd)

On 14 October 2019, the High Court had adjourned the hearing on the Company's application for summary relief in respect of the Company's Corporate Guarantee claim against JRB. The High Court had fixed the hearing date on 14 November 2019, which have been adjourned to 21 April 2020. The hearing has been further adjourned to 18 June 2020 in light of the extension of the Movement Control Order by the Government of Malaysia.

Based on the information provided by the external solicitors, the Company is of the view that it has merits to oppose the abovementioned claims. Hence, the Company is of the view that no provision is necessary at this juncture and the RM50.0 million bank guarantees received, which is part and parcel of the abovementioned claims is not recognised as it is not virtually certain that an inflow of economic benefits will arise.

30. COMMITMENTS

- (a) Operating lease commitments

The Group and the Company as lessee

The Group and the Company had entered into non-cancellable lease agreements resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The lease terms do not contain restrictions on the activities of the Group and the Company concerning dividends or additional debt. The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	2019 RM'000	2018 RM'000
Group		
Not later than one (1) year	395	2,140
Later than one (1) year and not later than five (5) years	1,416	3,779
More than (5) years	-	2,534
	1,811	8,453
Company		
Not later than one (1) year	395	419
Later than one (1) year and not later than five (5) years	1,416	34
	1,811	453

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

30. COMMITMENTS (CONT'D)

(b) Capital commitments

	Group and Company	
	2019 RM'000	2018 RM'000
Authorised capital expenditure not provided for in the financial statements		
- contracted	1,341	1,120
- not contracted	14,253	19,174
	15,594	20,294
Analysed as follows:		
- Property, plant and equipment	15,594	20,294

31. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in financial year ended 31 December 2018.

The Group reviews its capital structure on an annual basis and the Directors consider the cost of capital and the risks associated with each class of the capital. The Group manages its capital structure and makes adjustments to address changes in economic environment, regulatory requirements and risk characteristics in the business operations of the Group. These initiatives include dividend payments, share buy-back, issuance of new debts, redemption of debts and other adjustments in light of economic conditions.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Capital management (cont'd)

There are no changes made on the capital management, policies and procedures of the Group and the Company during the financial years ended 31 December 2019 and 31 December 2018.

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Lease liabilities	21,312	3,315	1,223	1,348
Less: Cash and bank balances (Note 16)	(385,928)	(300,030)	(309,445)	(220,234)
Net cash	(364,616)	(296,715)	(308,222)	(218,886)
Total capital	818,465	832,282	793,006	802,711
Gearing ratio	—*	—*	—*	—*

* The gearing ratios for the Group and for the Company are not presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 31 December 2019.

The Group is not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from foreign currency risk, liquidity and cash flow risk, interest rate risk, credit risk and market risk.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, interest rate risk, credit risk and market risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rate.

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities.

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of each reporting period, such foreign currency balances amounted to RM2,974,000 (2018: RM2,781,000) for the Group and RM1,610,000 (2018: RM438,000) for the Company.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

During the financial year, the Group and the Company entered into foreign currency forward contracts to manage exposures to currency risk for payables, which are denominated in a currency other than the functional currencies of the Group and of the Company.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at the end of the reporting period is disclosed in Note 15 to the financial statements.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 12, 16 and 19 to the financial statements respectively.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 8 and 19 to the financial statements respectively.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group and of the Company relates to interest-earning deposits, amount owing by a subsidiary and lease liabilities. The fixed-rate deposits and lease liabilities of the Group are not exposed to a risk of changes in their fair values due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk. The Group borrows in the desired currencies at both fixed and floating rates of interest.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 8, 12 and 16 to the financial statements respectively.

(iv) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are reputable institutions and organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control section to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk profile has been disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. They are held for strategic rather than trading purposes. The Group does not actively trade these investments. These instruments are classified as financial assets designated at fair value through profit or loss.

To manage its price risk arising from investments in shares, funds and bonds, the Group diversifies its portfolio in accordance with the limits set by the Group.

The sensitivity analysis of market risk has been disclosed in Note 11 to the financial statements.

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

32.1 New MFRSs adopted during the financial year

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 16 and Amendments to MFRS 128 as described in the following sections.

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.1 New MFRSs adopted during the financial year (cont'd)

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group and the Company applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019. The incremental borrowing rate of the Group applied to the lease liabilities on 1 January 2019 was 6.40%.

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property and equipment lease data such that the respective inputs could be uploaded into management’s model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.

For leases previously classified as finance leases, the Group recognised the carrying amounts of the lease assets and lease liabilities immediately before transition as the carrying amounts of the right-of-use assets and the lease liabilities respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- (i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;
- (iii) Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 and do not contain a purchase option as short-term leases;
- (iv) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (v) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.1 New MFRSs adopted during the financial year (cont'd)

MFRS 16 Leases (cont'd)

On transition to MFRS 16, the Group and the Company recognised right-of-use assets and lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

		As at 31 December 2018 RM'000	Changes RM'000	As at 1 January 2019 RM'000
Group				
Property, plant and equipment		311,254	(4,634)	306,620
Right-of-use assets	(a)	-	14,298	14,298
Deferred tax assets		4,158	1	4,159
Retained earnings		(95,682)	264	(95,418)
Non-controlling interest		(1,851)	-*	(1,851)
Lease liabilities	(b)	(3,315)^	(9,703)	(13,018)
Trade and other payables		(84,949)	(260)	(85,209)
Deferred tax liabilities		(27,669)	34	(27,635)
Company				
Property, plant and equipment		303,575	(2,598)	300,977
Right-of-use assets	(a)	-	2,688	2,688
Retained earnings		(65,916)	1	(65,915)
Lease liabilities	(b)	(1,348)^	(91)	(1,439)
Deferred tax liabilities		(27,480)	-*	(27,480)

* Amount is immaterial to disclose

^ In the previous financial year, lease liabilities of the Group and the Company were recognised as finance lease liabilities within borrowings.

- (a) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at their carrying amounts as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.1 New MFRSs adopted during the financial year (cont'd)

MFRS 16 Leases (cont'd)

(b) Lease liabilities are measured as follows:

	Group RM'000	Company RM'000
Operating lease commitments at 31 December 2018 as disclosed under MFRS 117	8,453	453
Weighted average incremental borrowing rate as at 1 January 2019	6.40%	6.40%
Discounted operating lease commitments as at 1 January 2019	6,967	441
Finance lease liabilities recognised as at 31 December 2018	3,315	1,348
Recognition exemption for leases with less than 12 months of lease term at transition	(356)	(350)
Contracts reassessed as lease contracts	3,092	-
Lease liabilities recognised at 1 January 2019	13,018	1,439

Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 128 clarify that an entity applies MFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in MFRS 9 applies to such long-term interests.

In applying MFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying MFRS 128 *Investments in Associates and Joint Ventures*.

The Group and the Company adopted Amendments to MFRS 128 with an initial application date of 1 January 2019. Adoption of Amendments to MFRS 128 did not have any material effect on the financial performance or position of the Group and of the Company. In accordance with the transitional provisions provided in MFRS 128, comparative information was not restated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019 (cont'd)

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2020

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2022
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company do not expect the adoption of the above Standards to have significant impact on the financial statements.

33. FINANCIAL REPORTING UPDATES

33.1 IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ("IFRIC") issued a final agenda decision on 26 November 2019 regarding "Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)".

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group anticipates an increase in lease liabilities and corresponding right-of-use assets arising from the reassessment of the lease term of existing leasing arrangements due to this final agenda decision.

The Group is in the process of implementing the requirements of this final agenda decision and the impact upon adoption is expected to be recognised during the financial year ending 31 December 2020.

34. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020 arising from COVID-19. The MCO was extended for 2 weeks consecutively on 25 March 2020 and 10 April 2020 until 14 April 2020 and 28 April 2020 respectively, followed by another announcement on 23 April 2020 on the further extension of the MCO for another 2 weeks until 12 May 2020.

Since these developments occurred subsequent to the end of the reporting period, the COVID-19 pandemic is treated as a non-adjusting event in accordance with MFRS 110 *Events after the Reporting Period* and therefore, judgements and assumptions used in the preparation of the financial statements of the Group for the financial year ended 31 December 2019 do not reflect the effects arising from this non-adjusting event.

The effects of COVID-19 pandemic and MCO would potentially result in certain financial impact to the businesses of the Group and the judgements and assumptions used in the preparation of the financial statements for the financial year ending 31 December 2020, such as expected credit losses of financial assets, write down of inventories to net realisable values, fair value measurements of financial instruments and impairment assessments of assets (property, plant and equipment, investment properties, intangible assets, right-of-use assets and investments in subsidiaries).

In view that the ongoing developments of the COVID-19 pandemic are still uncertain and lack of visibility as to when the market conditions will recover, the Group is currently unable to ascertain the full potential financial impact as at the date of the authorisation of the financial statements. However, the Board is confident that the Group is well positioned to weather through the challenges with its strong financial foundation.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2019

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
No.15-19, Jalan Masjid Kapitan Keling, 10200 Pulau Pinang	Leasehold Expiry: 2055	23,372 sq. ft.	Office block and creative & events hub	Pre-war	791	1983#
No. 26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,481 sq. ft.	2-storey semi-detached house	59	686	1995
735, Lorong Perindustrian Bukit Minyak 7 Taman Perindustrian Bukit Minyak 14100 Simpang Ampat Pulau Pinang	Leasehold Expiry: 2056	172,644 sq. ft.	Industrial land and warehouse	22	7,470	1995
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	19	34,765	2001
No. 2, Jalan Astaka U8/88 Section U8 Bukit Jelutong Industrial Park, 40150 Shah Alam Selangor Darul Ehsan	Freehold	405,979 sq. ft.	Industrial land	N/A	22,495	1997
		205,117 sq. ft.	Printing plant	19	28,748	2001
202, Jalan Sultan Azlan Shah 11900 Bayan Lepas Pulau Pinang	Freehold	7,204 sq. metres	Industrial land	N/A	11,954	1997
		19,472 sq. metres	Regional office and printing plant	18	17,152	2002
Lot 9, First Floor Block B, Lintas Square 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft.	1st floor of an office block	21	163	1999
GM 4148 Lot 26198 (GM 613 Lot 6037) Mukim Bentong Pahang Darul Makmur	Freehold	3.632 hectare	Vacant agriculture land	N/A	2,096	1999
GM 4111 Lot 26192 (GM 611 Lot 3162) Mukim Bentong, Pahang Darul Makmur	Freehold	0.3655 hectare	Vacant agriculture land	N/A	1,079	2000
GM 4147 Lot 26197 (GM 612 Lot 6036) Mukim Bentong, Pahang Darul Makmur	Freehold	0.3676 hectare	Vacant agriculture land	N/A		

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
Lot No. 60 Mukim of Tanah Rata Bintang Cottage A38 Jalan Pekeliling Padang Golf, Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur	Leasehold Expiry: 2135	60,387 sq. ft	Land with a single storey detached house	Pre-war	1,292	2002
Unit A 4103 SOHO Xian Dai Cheng No. 88, Jian Guo Road Chao Yang District Beijing 100022 People's Republic of China	Leasehold Expiry: 2070	386.41 sq.metres	Top floor of a 42-storey building	16	1,680	2004
No. 7, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	108,900 sq. ft	Industrial land	N/A	4,380	2004
No. 9, Jalan Tiang U8/93 Section U8 Bukit Jelutong Industrial Park 40150 Shah Alam Selangor Darul Ehsan	Freehold	111,078 sq. ft	Industrial land	N/A	4,443	2004
10 Anson Road #19-14 International Plaza Singapore 079903	Leasehold Expiry: 2070	219 sq.metres	19th floor on a 50-storey building	44	1,834	2005
Neighbourhood Commercial Centre GF to 3F, U6 Jalan P9E/1, Presint 9 62250 Putrajaya	Freehold	1,690.72 sq.metres	4-storey shop office	15	3,183	2004
No.8 & 10, Lorong Chung Thye Phin 30250 Ipoh Perak Darul Ridzuan	Freehold	1,622 sq.metres	Commercial land	N/A	1,375	2005
	Freehold	1,972 sq.metres	Office building	9	3,978	2011
Klang Town Commercial Centre No. 35 Lebuhr Tapah, Bandar Klang 41400 Klang Selangor Darul Ehsan	Freehold	445.93 sq.metres	3-storey shop office	13	646	2007
No. 37 Jalan USJ Sentral 3 USJ Sentral, Persiaran Subang 1 47600 Subang Jaya Selangor Darul Ehsan	Freehold	10,080 sq. ft	5-storey shop office & 1 lower ground car park	11	2,228	2009
Total					152,438	

ANALYSIS OF SHAREHOLDINGS

AS AT 6 MAY 2020

SHARE CAPITAL

Total Number of Issued Shares	: 738,563,602
Class of Share	: Ordinary Share
Voting Rights	: One (1) vote per ordinary share
Number of Shareholders	: 11,381

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	% of Issued Shares
Less than 100	80	0.702	1,533	0.000
100 - 1,000	1,716	15.078	1,429,697	0.197
1,001 - 10,000	6,235	54.784	30,455,863	4.185
10,001 - 100,000	2,883	25.332	97,752,528	13.432
100,001 - 36,388,244 *	465	4.086	214,903,521	29.529
36,388,245 and above **	2	0.018	383,221,760	52.657
Total	11,381	100.000	727,764,902[^]	100.000

Notes:

* Less than 5% of issued share

** 5% and above of issued share

[^] Excludes 10,798,700 Ordinary Shares bought back by the Company and held as treasury shares

SUBSTANTIAL SHAREHOLDERS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY

(As per Register of Substantial Shareholders as at 6 May 2020)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	AMSEC Nominees Tempatan Sdn Bhd Malaysian Chinese Association	313,315,760	43.052	4,851,500 ⁱ	0.667
2.	AmanahRaya Trustees Bhd Amanah Saham Bumiputera	69,906,000	9.606	-	-

Notes:

ⁱ Held via Huaren Holdings Sdn. Bhd. (4,651,500 shares) and Huaren Management Sdn. Bhd. (200,000 shares), which are deemed interested pursuant to Section 8 of the Companies Act 2016

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY

(As per Register of Directors' Shareholdings as at 6 May 2020)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Dato' Fu Ah Kiow	-	-	-	-
2.	Tan Sri Dato' Sri Kuan Peng Soon	-	-	-	-
3.	Dato' Dr Mohd Aminuddin bin Mohd Rouse	-	-	-	-
4.	Mr. Choong Tuck Oon	-	-	-	-
5.	Madam Wong You Fong	-	-	-	-
6.	Mr. Chan Seng Fatt	-	-	-	-
7.	Mr. Loh Chee Can	-	-	-	-

TOP THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	% of Issued Shares*
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Malaysian Chinese Association	313,315,760	43.052
2.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	69,906,000	9.606
3.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chua Ma Yu	25,000,000	3.435
4.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	12,663,200	1.740
5.	Amanahraya Trustees Berhad Amanah Saham Malaysia	5,585,000	0.767
6.	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An For Barclays Capital Securities Ltd (SBL/PB)	4,658,700	0.640
7.	Huaren Holdings Sdn. Bhd.	4,651,500	0.639
8.	RHB Investment Bank Berhad Clearing (K) for Amanahraya Trustees Berhad	4,000,000	0.550
9.	Wong Soo Chai @ Wong Chick Wai	3,850,700	0.529
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. Urusharta Jamaah Sdn. Bhd. (Franklin 1)	3,791,077	0.521
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik	3,000,000	0.412

ANALYSIS OF SHAREHOLDINGS

AS AT 6 MAY 2020 (cont'd)

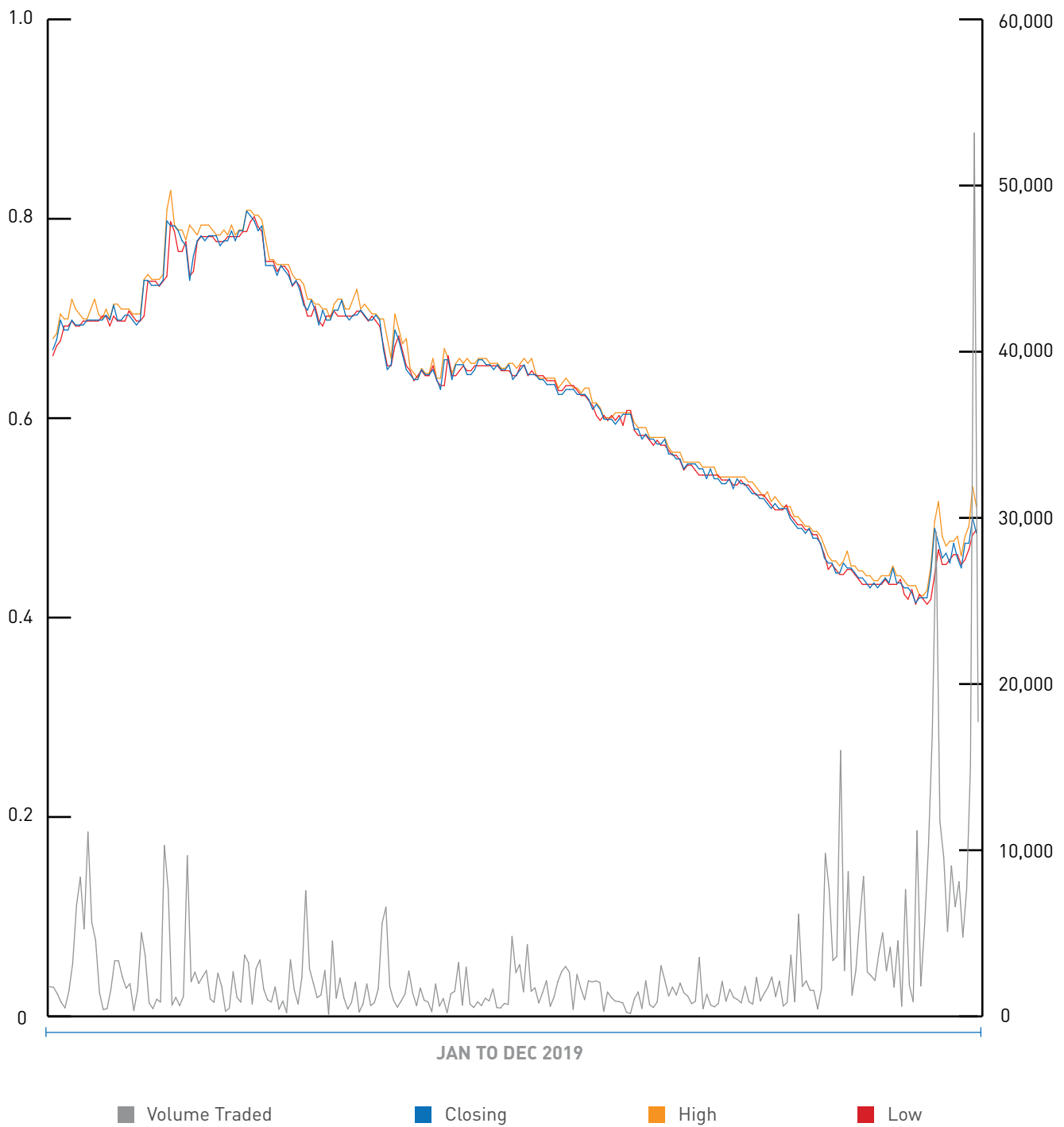
TOP THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	% of Issued Shares*
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Khoo Bee Lian	2,800,000	0.385
13.	Koperasi Jayadiri Malaysia Berhad	2,334,000	0.321
14.	Sunny Tan Kah Wei	2,330,000	0.320
15.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An For Bank Julius Baer & Co. Ltd. (Singapore BCH)	2,305,200	0.317
16.	Lai Chee Chuen	2,124,400	0.292
17.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chow JieChan (MP0297)	2,006,000	0.276
18.	Lim Siew Mei	2,000,000	0.275
19.	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Deva Dassan Solomon (M)	1,744,100	0.240
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Kong Yee Wong	1,592,400	0.219
21.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An For OCBC Securities Private Limited (Client A/C-NR)	1,559,700	0.214
22.	Lee Pui Seng	1,527,000	0.210
23.	Tengku Nerang Putra	1,466,144	0.201
24.	Deva Dassan Solomon	1,350,000	0.185
25.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd For RHB Small Cap Opportunity Unit Trust	1,341,100	0.184
26.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Deva Dassan Solomon (8041850)	1,250,000	0.172
27.	Shanthakumar A/L Santhalingam	1,237,700	0.170
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Ah Onn	1,150,000	0.158
29.	Norinne Ira Dewal Binti Md Ali	1,150,000	0.158
30.	RHB Nominees (Tempatan) Sdn. Bhd. Exempt An For RHB Securities Singapore Pte. Ltd. (A/C Clients)	1,086,900	0.149
Total		482,776,581	66.337

* Excludes 10,798,700 Ordinary Shares bought back by the Company and held as treasury shares

SHARE PERFORMANCE CHART



CORPORATE DIRECTORY

BRANCHES

1. GEORGE TOWN

15, Jalan Masjid Kapitan Keling
10200 Pulau Pinang

Tel: +604 647 3388
Fax: +604 261 1410

2. IPOH

A-G-6, Menara Majestic
Jalan C.M. Yusuff
30250 Ipoh
Perak Darul Ridzuan

Tel: +605 253 0402
Fax: +605 253 9669

3. KUANTAN

14, 1st Floor, Jalan Tun Ismail
25000 Kuantan,
Pahang Darul Makmur

Tel : +609 513 1323 / 7415 / 514 7624
Fax : +609 514 6276

4. KLANG

No. 35, Lebuhr Tapah
Bandar Klang
41400 Klang
Selangor Darul Ehsan

Tel : +603 3344 8978
Fax : +603 3344 4584

5. PUTRAJAYA

No. T.01-U.03-1 Jalan P9E/1,
Presint 9,
62250 W.P. Putrajaya

Tel : +603-8889 5513 / 5512
Fax : +603-8889 5516

6. SEREMBAN

41, 1st Floor, Jalan Yam Tuan,
70000 Seremban
Negeri Sembilan Darul Khusus

Tel : +606-762 6984 / 761 2992
Fax : +606-761 2577

7. MELAKA

4A, 1st Floor, Jalan Hang Tuah
75300 Melaka

Tel : +606 282 1909 / 283 6405
Fax : +606 283 5352

8. JOHOR BAHRU

65 & 65A, Jalan Maju
Taman Maju Jaya
80400 Johor Bahru
Johor Darul Ta'zim

Tel : +607-331 5666 / 9745 / 2399 / 2433
Fax : +607-333 2435 / 3251



STAR OFFICES

9. STAR NORTHERN HUB

202 Jalan Sultan Azlan Shah
11900 Bayan Lepas
Pulau Pinang

Tel: +604 647 3388

Fax: +604 647 3371 / 647 3335

10. MENARA STAR

15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan

Tel: +603 7967 1388

Fax: +603 7954 1606

11. STAR MEDIA HUB

Lot 2, Jalan Astaka U8/88
Section U8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

Tel: +603 7967 1388

Fax: +603 7845 4644

SABAH & SARAWAK

12. KUCHING

1st Floor, Sublot 7,
Song Plaza, Jalan Tun Jugah,
93350 Kuching
Sarawak

Tel : +6082 457 888

Fax : +6082 459 457

13. KOTA KINABALU

Lot 9, 1st Floor,
Block B Lintas Square,
Jalan Lintas
88300 Luyang, Kota Kinabalu,
Sabah

Tel : +6088 233 380

Fax : +6088 237 380

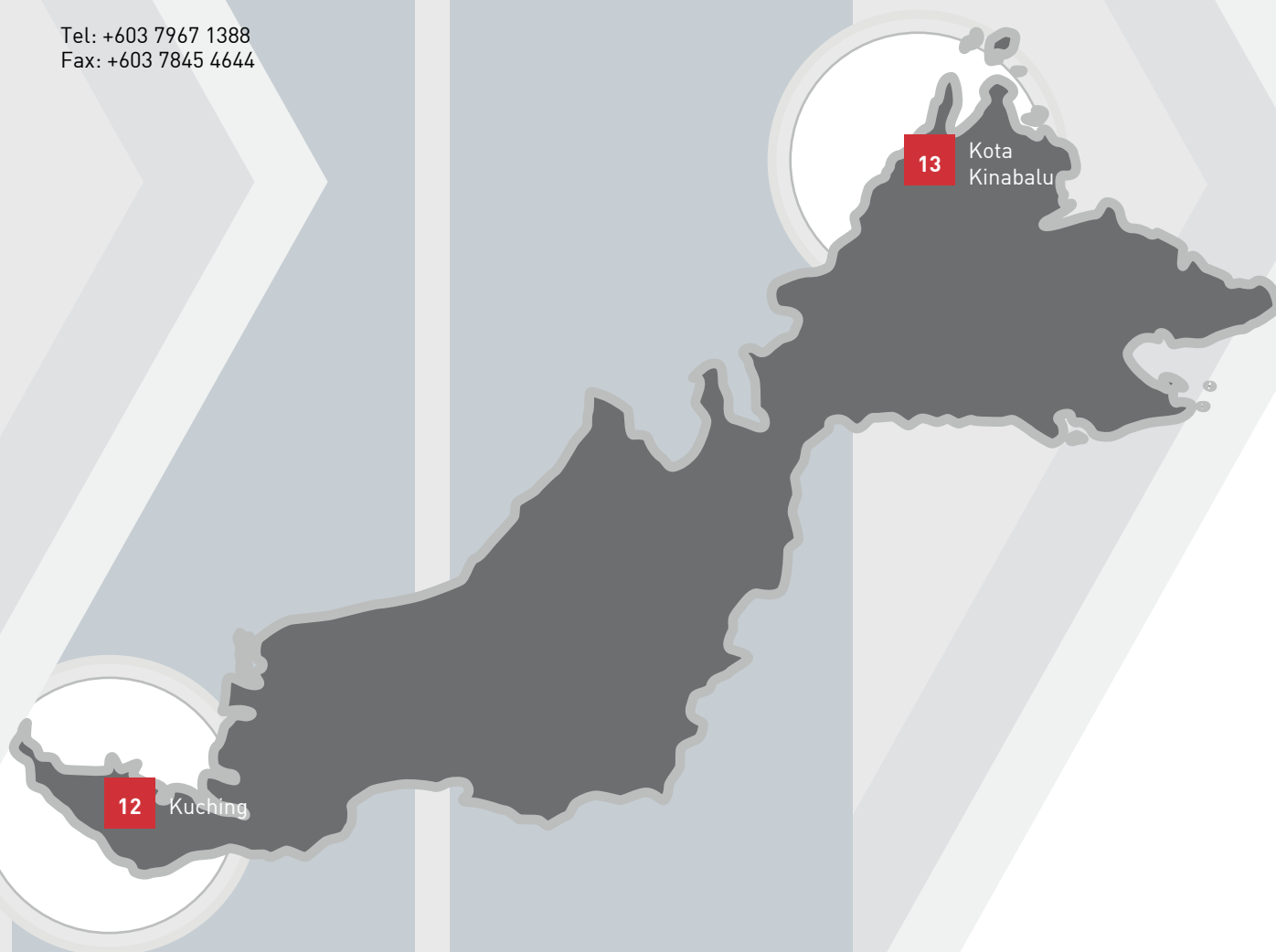
OVERSEAS BRANCH

CHINA

B1602 Jinqiao International Apartment
55, Guangqumen North Street
2nd East Ring Road, Dongcheng District
100062 Beijing, China

Tel : +86-10-858 03711

Fax : +86-10-858 03



**STAR MEDIA GROUP BERHAD**Registration No.: 197101000523 (10894-D)
(Incorporated in Malaysia)

No. of ordinary shares held :

CDS Account no. :

Contact No. :

**PROXY FROM
48th Annual General Meeting**I/We _____
(full name of shareholder as per NRIC/Passport/Certificate of Incorporation in capital letters)

(NRIC/Passport/Company No. _____) of _____

(full address)

being a member of STAR MEDIA GROUP BERHAD, (the Company) hereby appoint _____
(full name of proxy as per NRIC/Passport in capital letters)

(NRIC/Passport No. _____) of _____

(full address)

and/or, _____ (NRIC/Passport No. _____)
(full name of proxy as per NRIC/Passport in capital letters)of _____
(full address)

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us on my/our behalf at the 48th Annual General Meeting of the Company to be held at the Cybertorium, Level 2, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Monday, 22 June 2020 at 10.00 a.m. and at any adjournment thereof and to vote as indicated below:

Please indicate with an "X" in the spaces below as to how you wish your votes to be casted in respect of each resolution. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions	FOR*	AGAINST*
1.	Re-election of Dato' Fu Ah Kiow as a Director		
2.	Re-election of Madam Wong You Fong as a Director		
3.	Payment of Directors' fees		
4.	Payment of benefits to Non-Executive Directors		
5.	Re-appointment of Messrs BDO PLT as Auditors		
6.	Authority to allot shares pursuant to Section 75 of the Companies Act 2016		
7.	Proposed renewal of the authority to purchase own shares		

* Voting will be conducted by poll. If you wish to exercise all your votes For or Against the relevant resolution, please indicate with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes both For and Against the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2020

Signature/Common Seal of Member

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100%

Notes:**Proxy**

- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice shall be put to vote by way of poll.
- A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his/her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restrictions as to the qualification of the proxy. In the case of a corporation, the Proxy Form must be executed under seal or signed by an officer or attorney duly authorised. Any alteration to the Proxy Form must be initialled.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

- The Proxy Form must be deposited at the Share Registrar's Office, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the meeting. The proxy appointment may also be lodged electronically via Tricor's TIH Online website at <https://tihih.online> not less than 48 hours before the meeting. For further information on the electronic lodgement of Proxy Form, kindly refer to the annexure to Proxy Form.

- Only Members whose names appear in the General Meeting Record of Depositors as at **10 June 2020** shall be entitled to attend, participate, speak and vote at this 48th AGM or appoint proxy(ies) to attend, participate, speak and/or vote on their behalf.

Personal Data Privacy

By submitting a Proxy Form or an instrument appointing a representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 22 May 2020.

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THE SHARE REGISTRAR

STAR MEDIA GROUP BERHAD

Registration No.: 197101000523 (10894-D)

c/o Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Malaysia

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ELECTRONIC SUBMISSION OF PROXY FORM VIA TIIH ONLINE

Dear shareholders,

We are pleased to inform that you as a shareholder can have the option to submit your proxy forms by electronic means through our Share Registrar's system, TIIH Online (**e-Proxy**).

TIIH Online is an application that provides an online platform for shareholders (individuals only) to submit document/form electronically which includes proxy form in paperless form (e-Submission). Once you have successfully submitted your e-Proxy form, you are no longer required to complete and submit the physical proxy form to Tricor office.

To assist you on how to engage with e-Proxy, kindly read and follow the guidance notes which are detailed below:

1. Sign up as user of TIIH Online

Using your computer, access our website at **<https://tiih.online>**



Sign up as a user by completing the registration form, registration is free



Upload a softcopy of your MyKad (front and back) or your passport



Administrator will approve your registration within one working day and notify you via email



Activate your account by re-setting your password

- Notes:
- (i) If you are already a user of TIIH Online, you are not required to sign up again
 - (ii) An email address is allowed to be used once to register as a new user account, and the same email cannot be used to register another user account
 - (iii) At this juncture, only individual security holders are offered to register as user and participate in e-Proxy

2. Proceed with submission of e-Proxy

After the release of the Notice of Meeting by the Company, login with your user name (i.e. e-mail address) and password



Select the corporate event: **Submission of Proxy Form**



Read and agree to the Terms & Conditions and confirm the Declaration



Select/insert the CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf



Appoint your proxy(s) or Chairman of the meeting and insert the required details of your proxy(s)



Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote



Review & confirm your proxy(s) appointment



Print e-Proxy for your record

Should you need assistance on the e-Submission, please contact our Share Registrar, details as follows:

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Telephone No: +603 2783 9299 (general line)
Fax No: +603 2783 9222
E-mail: is.enquiry@my.tricorglobal.com



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