


FORGING AHEAD



INFORM

INSPIRE

INNOVATE



2020 has been a year full of challenges. Despite the trying times, there are possibilities and opportunities to move on to the next level of achieving our aspirations. In response to the current economic disruptions, our resilience and endurance have allowed us to forge ahead in pursuing new opportunities that disruptive forces inevitably generate. We have been agile in seizing these opportunities for value growth that strengthens our business purpose as we step up our approach to inform, inspire and innovate as a leading integrated media organisation. With our customers at the heart of what we do, we strive to ensure they receive the best experiences possible.

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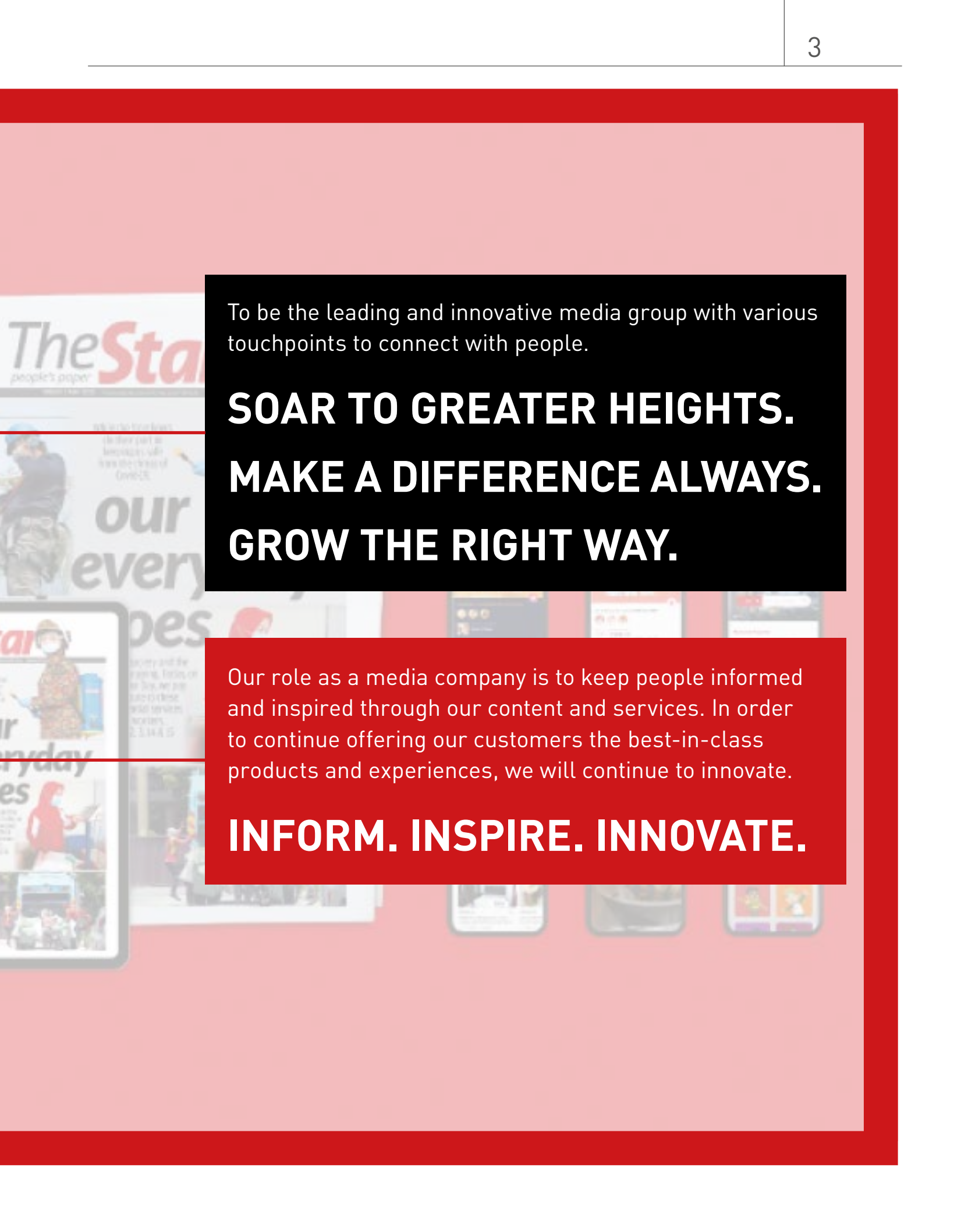
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VISION MISSION



The background of the slide features a collage of 'The Star' newspaper front pages and several mobile devices (smartphones and tablets) displaying the newspaper's content. The newspaper's masthead 'The Star' is prominent in red and black, with the tagline 'people's paper' underneath. Various headlines and images from the newspaper are visible, including one about 'our everyday' and another about 'our every'. The mobile devices are arranged in a grid-like pattern, showing different views of the newspaper's website and app.

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.**

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.

AT A

TheStar

people's paper

760,000

print readership

Source: Nielsen Consumer and Media View, read past week
(Jul 2019 - Jun 2020)

TheStar

81.40 million

monthly average pageviews

8.30 million

monthly average users

4.19 million

social media followers

Source: Google Analytics (Jan - Dec 2020), Native
platforms

mStar

urban versatil

18.00 million

monthly average pageviews

5.60 million

monthly average users

2.31 million

social media followers

Source: Google Analytics (Jan - Dec 2020)





2.00 million
weekly listeners

1.56 million
monthly average
digital streams

3.83 million
video views

602,000
monthly average pageviews

1.18 million
social media followers

496,000
app downloads

Source: GfK Radio Audience Measurement (RAM), Wave 2 2020

RADIOactive (Jan-Aug 2020) + Triton (Feb-Dec 2020)

YouTube Analytics & Facebook Insights (Jan-Dec 2020)

Google Analytics 360 (Jan-Dec 2020)



2.92 million
weekly listeners

3.77 million
monthly average digital streams

8.60 million
video views

993,000
monthly average pageviews

1.45 million
social media followers

792,000
app downloads

Source: GfK Radio Audience Measurement (RAM),
Wave 2 2020

RADIOactive (Jan-Aug 2020) + Triton (Feb-Dec 2020)

YouTube Analytics & Facebook Insights (Jan-Dec 2020)

Google Analytics 360 (Jan-Dec 2020)

107
on-ground and
virtual events

Engaging over
144,987
Malaysians

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Ninth (49th) Annual General Meeting (“AGM”) of Star Media Group Berhad (“the Company”) will be conducted through live streaming from the Broadcast Venue at Cyberhub, Level 2, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on **Monday, 24 May 2021 at 10.00 a.m.** to transact the following business:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors’ and Auditors’ Reports thereon.

Please refer to Explanatory Note 1

2. To re-elect the following Directors who are due to retire by rotation in accordance with Clause 116 of the Company’s Constitution and being eligible, have offered themselves for re-election:

(a) Dato’ Dr. Mohd Aminuddin Bin Mohd Rouse

Ordinary Resolution 1

(b) Mr. Choong Tuck Oon

Ordinary Resolution 2

Please refer to Explanatory Note 2

3. To re-elect Tan Sri Dato’ Seri Chor Chee Heung who retires by rotation in accordance with Clause 96(c) of the Company’s Constitution and being eligible, has offered himself for re-election.

Ordinary Resolution 3

Please refer to Explanatory Note 3

4. To approve the payment of Non-Executive Directors’ fees of RM630,000 for the financial year ended 31 December 2020.

Ordinary Resolution 4

Please refer to Explanatory Note 4

5. To approve the payment of Non-Executive Directors’ fees of up to RM700,000 for the financial year ending 31 December 2021.

Ordinary Resolution 5

Please refer to Explanatory Note 5

6. To approve the payment of benefits payable to the Non-Executive Directors (excluding Directors’ fees) up to an amount of RM500,000 from 25 May 2021 until the next AGM of the Company.

Ordinary Resolution 6

Please refer to Explanatory Note 6

7. To re-appoint Messrs. BDO PLT, having consented to act as Auditors of the Company, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

Ordinary Resolution 7

Please refer to Explanatory Note 7

AS SPECIAL BUSINESS

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

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 ("THE ACT")**

"**THAT**, subject always to the Act, the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad and any other relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the capital of the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever, the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten percent (10%) of total number of issued shares of the Company for the time being, AND THAT, the Directors be and are empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued; AND FURTHER THAT, such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

Ordinary Resolution 8

Please refer to Explanatory Note 8

9. **PROPOSED RENEWAL OF AUTHORITY FOR STAR MEDIA GROUP BERHAD TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"**THAT** subject always to the Companies Act 2016 ("the Act"), the provisions of the Company's Constitution, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company 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 and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares to be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares as quoted on Bursa Securities as at the point of purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (c) the authority shall commence 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 this AGM at which this Resolution was passed, at which time it will lapse unless by an ordinary resolution passed at the next general meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

Notice of Annual General Meeting (cont'd.)

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

(aa) cancel all the ordinary shares so purchased; and/or

(bb) retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or transfer under an employees' share scheme (if any) and/or transfer as purchase consideration; and/or

(cc) retain part thereof as treasury shares and cancel the remainder;

and/or 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 do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

Ordinary Resolution 9

Please refer to Explanatory Note 9

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

HOH YIK SIEW
(MAICSA 7048586)
(SSM PC No.: 202008003427)
Company Secretary

Petaling Jaya
26 April 2021

Explanatory Notes:

1. Audited Financial Statements for the financial year ended 31 December 2020

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. As such, it will not be put forward for voting.

2. Ordinary Resolutions 1 and 2 Proposed Re-election of Directors in accordance with Clause 116 of the Company's Constitution

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

The Board of Directors had on 24 February 2021 via the Nomination Committee ("NC") conducted an annual performance evaluation of the Directors including Dato' Dr. Mohd Aminuddin Bin Mohd Rouse and Mr. Choong Tuck Oon and agreed that they have met the Board's expectation in terms of experience, expertise, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company. The NC and Board hereby recommend for the re-election of each Director who is retiring at the 49th AGM.

The Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the board meeting 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 Proposed Re-election of Director in accordance with Clause 96(c) of the Company's Constitution

Clause 96(c) of the Company's Constitution stipulates that any newly appointed Director shall hold office until the next AGM of the Company at which the Director is due to retire under this Clause, but shall then be eligible for re-election.

Pursuant to Clause 96(c), Tan Sri Dato' Seri Chor Chee Heung is standing for re-election at the 49th AGM.

The profiles of the Directors standing for re-election are provided on page 26 to page 29 of this Annual Report.

4. Ordinary Resolutions 4 to 6 Proposed Non-Executive Directors' ("NEDs") Remuneration

Section 230 (1) of the Companies Act 2016 stipulates among others that the fees and any benefits payable to the Directors of listed company and its subsidiaries shall be approved at a general meeting. As agreed by the Board, shareholders' approval will be sought for the following resolutions:

- (a) **Ordinary Resolution 4** on the payment of Directors' fees to the NEDs for the financial year ended 31 December 2020.

The proposed amount of RM630,000 is a ten percent (10%) reduction from the amount approved (2019: RM700,000) at the last AGM of the Company held on 22 June 2020 upon taking into consideration the challenging economic situation and performance of the Company due to the Covid-19 pandemic.

- (b) **Ordinary Resolution 5** on the payment of Directors' fees to the NEDs for the financial year ending 31 December 2021.

This resolution is to facilitate payment of Directors' fees on a current financial year basis. In the event, the proposed amount is insufficient e.g. due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

The Resolution if passed, will allow the Company to make the payment to the NEDs on a monthly basis instead of in arrears after every AGM. The Board is of the view that it is just and equitable for the NEDs to be paid every month after they have discharged their responsibilities and rendered their services to the Company.

- (c) **Ordinary Resolution 6** on the payment of benefits (excluding Directors' fees) to the NEDs from 25 May 2021 to the next AGM of the Company,

In this respect, the benefits payable to the NEDs comprise 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.

In determining the estimated total amount of benefits payable, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees. Payment of NEDs' benefits will be made by the Company as and when incurred, provided that the proposed Ordinary Resolution 6 be passed at the 49th AGM. The Board is of the view that it is fair and justifiable for the payment of benefits to the NEDs be made as and when incurred, after the NEDs have discharged their responsibilities and rendered their services to the Company.

Notice of Annual General Meeting (cont'd.)

5. Ordinary Resolution 7

Proposed Re-appointment of Auditors

The Audit Committee and the Board have considered the re-appointment of Messrs. BDO PLT as Auditors of the Company and are satisfied with the quality of service, adequacy of resources provided, independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions.

The Board hereby recommended their re-appointment for shareholders' approval at the forthcoming AGM.

6. Ordinary Resolution 8

Proposed Authority to Issue Shares pursuant to the Companies Act 2016

The proposed Ordinary Resolution 8 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares).

The General Mandate will provide flexibility to the Company for allotment of shares for any possible fundraising activities, funding the working capital or strategy development of the Group. The approval is sought to eliminate any delay arising from and cost involved in convening a separate general meeting to obtain shareholders' approval for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

The Company did not issue and allot any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

7. Ordinary Resolution 9

Proposed Renewal of Authority for Star Media Group Berhad to Purchase its own Ordinary Shares

The proposed Ordinary Resolution 9, if passed, will allow the Company to purchase its own shares through Bursa Securities 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 26 April 2021 for further information.

Notes:

Virtual AGM

- i) The 49th AGM of the Company will be conducted **on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV")** facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 49th AGM for the procedures to register, participate and vote remotely via the RPV facilities.
- ii) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. **Members/proxies from the public will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.** If a member is not able to attend the AGM via the RPV facilities, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Proxy

- iii) A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. 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.
- iv) 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.
- v) If there is no indication as to how a member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/her discretion. In the event a member duly executes the Proxy Form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy.
- vi) 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.

- vii) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the meeting or any adjournment thereof. In default, the instrument of proxy shall not be treated as valid:

In hard copy form

The Proxy Form shall be deposited at the Share Registrar's Office, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

By electronic means

The Proxy Form can be electronically lodged via Tricor's TIIH Online website at <https://tiih.online>. Kindly refer to the Administrative Guide for the 49th AGM on the procedure for electronic lodgement of the Proxy Form via TIIH Online.

- viii) Last date and time for lodging the Proxy Form is **Saturday, 22 May 2021 at 10.00 a.m.**
- ix) Only members whose names appear in the General Meeting Record of Depositors on **17 May 2021** shall be entitled to participate and/or vote at the 49th AGM or appoint proxy(ies) to participate and/vote on his/her behalf.

Personal Data Privacy

- x) By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the shareholder of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

FINANCIAL CALENDAR

FINANCIAL YEAR 1 JANUARY 2020 to 31 DECEMBER 2020

ANNOUNCEMENT OF 2020 PRELIMINARY RESULTS



First quarter

announced

29 May 2020



Second quarter

announced

27 August 2020



Third quarter

announced

12 November 2020



Fourth quarter

announced

25 February 2021

ANNUAL GENERAL MEETING



Monday, 24 May 2021
10.00 a.m.

CORPORATE INFORMATION

(as at 1 April 2021)

BOARD OF DIRECTORS

Tan Sri Dato' Seri Chor Chee Heung

(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 : Tan Sri Dato' Seri Chor Chee Heung
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
SSM Practicing Certificate No.: 202008003427

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 & AF0206)
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

INVESTOR RELATIONS

Au Chen Sum
Group Chief Financial Officer
investor-relations@thestar.com.my

CORPORATE WEBSITE

www.starmediagroup.my

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

AS AT 31 DECEMBER

	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	
KEY BALANCE SHEET DATA						
Total assets	1,649,401	1,153,184*	946,699	973,590	927,998	
Current liabilities	255,214	250,422*	86,000	111,874	109,357	
Total funds employed	1,394,187	902,762*	860,699	861,716	818,641	
Share capital	738,564	738,564*	738,564	738,564	738,564	
Shareholders' funds	1,128,655	873,613*	832,282	818,465	779,752	
OPERATING RESULTS						
Revenue	630,432*	469,189* [Ⓐ]	392,680 [Ⓐ]	315,934 [Ⓐ]	196,416	
Profit/(Loss) before tax	122,972*	39,812*	8,936	14,643	(16,528)	
Profit/(Loss) after tax attributable to shareholders	97,474*	77,620*	5,226	5,677	(19,719)	
FINANCIAL RATIOS						
Revenue growth	%	(14.9)*	(17.4)* [Ⓐ]	(16.3) [Ⓐ]	(19.5) [Ⓐ]	(37.8)
Net earnings/(loss) per share [#]	sen	13.20*	10.52*	0.71	0.77	(2.71)
Return on shareholders' funds	%	10.8*	8.9*	0.6	0.7	(2.5)
Dividend per share - Gross	sen	18.0	42.0	3.0	2.0	-
Net assets per share [^]	RM	1.53	1.18*	1.13	1.11	1.06

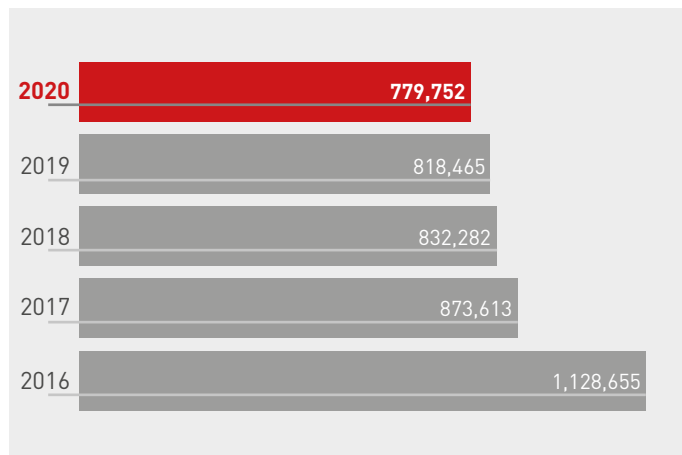
[#] Computed based on adjusted weighted average number of ordinary shares.

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

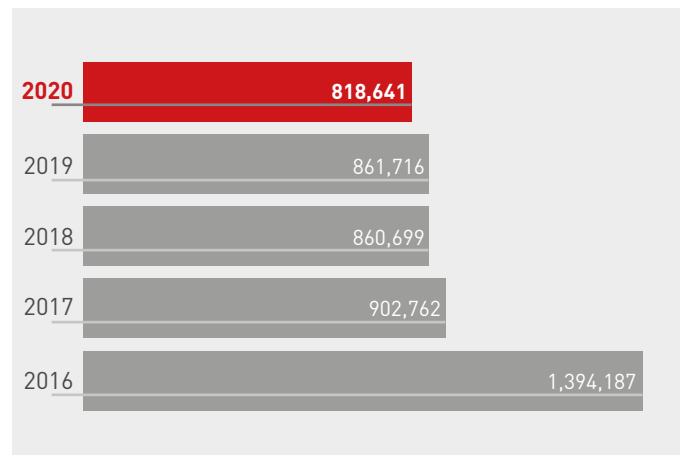
* Excludes discontinued operations.

[Ⓐ] Nett of agency commission due to MFRS15.

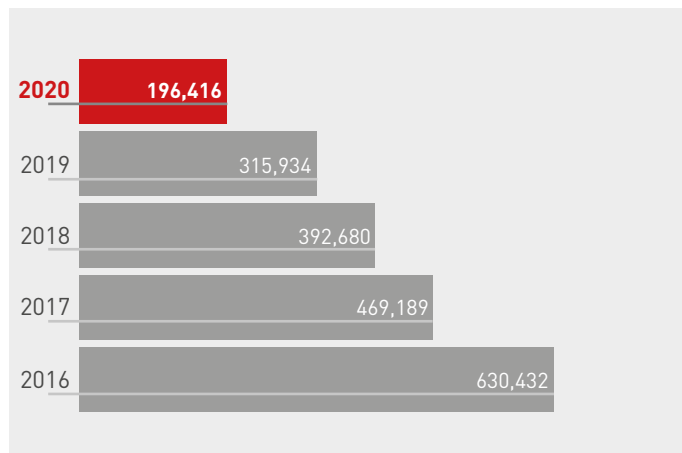
SHAREHOLDERS' FUNDS (RM'000)



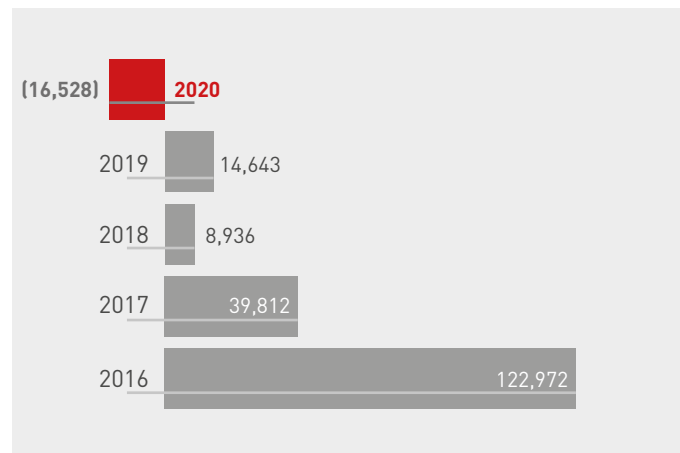
TOTAL FUNDS EMPLOYED (RM'000)



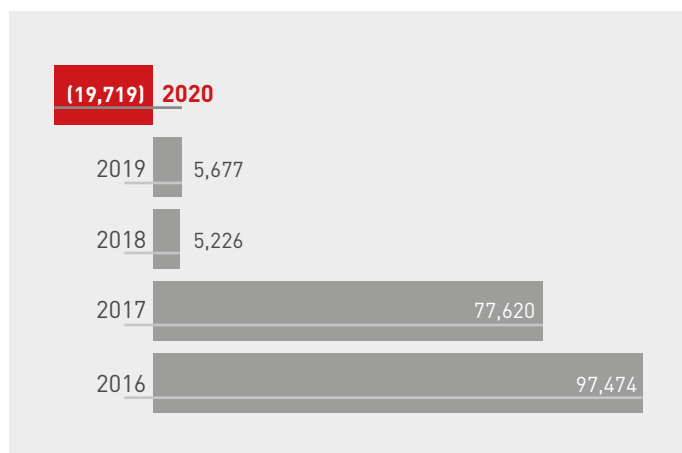
REVENUE (RM'000)



PROFIT/(LOSS) BEFORE TAX (RM'000)



PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS (RM'000)



DEAR VALUED SHAREHOLDERS,

On behalf of the Board and Management, I am pleased to present the Annual Report and Audited Financial Statements of Star Media Group Berhad (“Star” or “the Company”) and its subsidiaries (“SMG” or “the Group”) for the financial year ended 31 December 2020 (“FY2020”).

STAYING RESILIENT THROUGH UNPRECEDENTED TIMES

The world today is very different from the world we knew just in 2019. Not only are we facing the pressures of change coming from all directions, but also we are still struggling with the Covid-19 pandemic that is raging on.

The pandemic and series of constraints in FY2020 have brought about an unprecedented impact on livelihoods and businesses both locally and around the world. For the media industry, while consumer demand for content increased during the crisis, advertising revenue had steeply declined, a result of widespread cancellation of events, lower consumer spending and disruptions to business operations during the Movement Control Order (MCO) periods. Being deeply entwined with the local economy, the Group has not been spared from the impact and consequences of this fallout.

The challenging business environment offered us an important perspective - to strengthen ourselves in the media ecosystem to adapt and better serve our stakeholders more than ever before. In a world where physical distancing is the new norm, our role to inform, educate, connect and entertain society was brought to the forefront.

Leveraging on our various established products across print, digital and radio, the Group stepped up its efforts to connect with our audiences by providing credible, timely and insightful news alongside in-depth analyses, helping consumers to make informed decisions and choices.

In the face of challenges, we remain steadfastly committed in playing our role as a responsible corporate citizen. Throughout the year, the Group and its charity arm reached out to help vulnerable communities and medical frontliners impacted by the effects of the pandemic.

FINANCIALS

In a year of uncertainties, the Group’s businesses have no doubt been impacted. Star reported a revenue and loss before taxation of RM196.42 million and RM16.53 million respectively. Revenue from all segments were impacted by the pandemic and prolonged MCO. However, with the implementation of Conditional MCO in the second half of the year, revenue gradually improved and we saw a slight spend shift into the digital advertising. The Group also maintained a healthy cash flow for FY2020 with cash and cash equivalents balance of RM353.24 million at the end of the financial year.

The Group will continue to identify and evaluate growth opportunities through potential Mergers and Acquisitions to help shore up resilience. At the same time, we will be implementing more measures to keep cost in check and boost efficiencies.

Further details are presented in the Financial Statements Sections within this Annual Report.

CHAIRMAN'S STATEMENT

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.

TAN SRI DATO' SERI CHOR CHEE HEUNG

Chairman



Chairman's Statement (cont'd.)

ENHANCING OUR OFFERINGS

2020 was a year where accessibility was key for Star Media Group's flagship brand, The Star. Playing its role as the people's paper and one of Malaysia's most trusted news source, The Star upped its effort in editorial content, providing more extensive and on-the-ground coverage of the latest developments surrounding the Covid-19 pandemic.

As part of the Group's monetisation strategies to diversify revenue streams, a dynamic paywall was introduced on its digital news portal, namely, TheStar.com.my and mobile application since March 2020. TheStar.com.my has proved to be a reliable go-to source of information when it saw a 31% year-on-year growth in its international readership and almost a four-fold increase in March 2020 at the height of the first wave of the pandemic in Malaysia. During this period, TheStar.com.my hit a total of 20.6 million unique visitors from various countries, up from 7.90 million in the same period in 2019. The total international audience recorded in March 2020 was 9.97 million compared to 2.73 million in March 2019 (*Source: Google Analytics*). With data analytics in place, the Company will continue to capitalise on the platform's potential through targeted advertisements and curated content.

Our brands across all our platforms has leveraged on content creation and access to consumers. mStar, our Bahasa Malaysia entertainment and lifestyle news portal, has also turned in a good performance in 2020 and continues to reach new heights to emerge as a market leader in the Malay entertainment and lifestyle segment. In September 2020, the portal recorded a record engagement for mStar, reaching 26 million pageviews and 7.8 million unique visitors and amassing 2.3 million total followers across its social media platforms during the month (*Source: Google Analytics*). Its Telegram channel has 24,000 followers, the highest number of subscribers among other channels owned by any entertainment and lifestyle portal.

In the radio sphere, both 988 and Suria recorded growth in listenership and leveraged on their reach to do their part in the fight against Covid-19 through various campaigns and content broadcast. 988's weekly cumulative audience reached the 2-million milestone, the highest it has ever recorded (*Source: GfK Wave 2 Radio Audience Measurement (RAM), Wave 2 2020*).

Suria recorded the station's highest ever listenership at 2.9 million weekly and is ranked fourth amongst all commercial radio stations in Malaysia (*Source: GfK Wave 2 Radio Audience Measurement (RAM), Wave 2 2020*). The new mobile applications for both 988 and Suria allow their audience to tune in to radio streams, podcasts and live broadcast segments, as well as engage with their radio hosts and special guests through the live chat feature.

Education continues to be a mainstay in the Group's agenda, and in 2020, Kuntum garnered over 3,000 subscribers. Kuntum ran its very first live online webinar to reach out to parents about digital safety and best practices for their children. Not forgetting the children of the frontliners, Kuntum carried out a corporate social responsibility campaign, distributing Kuntum magazines to these children to serve as a source of edutainment at home.

Another significant milestone for the Group is its refreshed food and recipes website, Kuali.com. Under its banner, the introduction of Kuali Bakers Community in collaboration with Anchor Food Professionals helped empower home bakers and Small and Medium Enterprises ("SMEs") to venture into the baking industry amidst the pandemic. This project includes tailored recipes and ingredient handling tips, online baking classes as well as entrepreneurial webinars. The Kuali Bakers Community received encouraging feedbacks and response with over 4,300 subscribers and over 13.9-million reach on social media.

At the same time, our online virtual conferences such as the #cXo2020: Engineering X Factor in the Age of Disruption and #digitalXdata2020: Redesigning Data-Driven Digital Future in 2021 and Beyond has proved to be a practical alternative during the pandemic. By bringing on-ground events to the digital space, our host of virtual events enabled real-time networking among stakeholders while encouraging new and innovative ways of engaging consumers.

As the business community had been adversely affected, we had created new offerings for SMEs that we hope would be of help to cushion the impact of these uncertain times.

Other information of the Group is presented in the Management Discussion and Analysis Section of this Annual Report.

SUSTAINABILITY AS A WAY OF BUSINESS

As we continue to forge ahead in the business, we remain committed to our corporate responsibility by playing our role as the fourth estate and supporting vulnerable communities where possible.

Through Star Foundation, the charity arm of the Group, we stepped up our charitable efforts to lend a hand to communities that have been most affected by the pandemic. This includes channeling donations towards various charitable causes nationwide and funding medical surgeries for needy and ill children.

In support of the many joint efforts by the government and various organisations in the fight against Covid-19, we ran the Star Frontliners Initiative to rally the nation in support of our frontliners. The initiative raised over RM2.6 million, including a RM1.0 million contribution from Star Foundation to provide much-needed medical supplies to medical facilities nationwide.

On the business front, the Board continues to hold business continuity and the safety and well-being of the Group's personnel as a top priority over the course of the pandemic. As a media organisation, the Group is permitted to continue operations in line with set standard operating procedures.

In the course of carrying out our role in keeping the public informed, necessary actions have been taken to ensure our frontliners of journalists, photographers and videographers are taken care of. Continuing to take precautionary measures, the Group has implemented a work-from-home and rotational scheduling arrangement with minimal disruption to operations.

Beyond that, the Group also continues to support sustainable growth that benefits the economy, environment and society as well as the need to uphold good governance.

Our efforts in 2020 are encapsulated in the Sustainability Statement in this Annual Report.

FORGING AHEAD

In the face of rapid changes in media consumption trends, the Group will focus on sustaining its investment in the digital space and attracting digital revenues. This will be done by introducing new products and rejuvenating existing ones to keep up with changing market needs.

The Star marks its 50th anniversary this year. To this end, the Group has embarked on a series of enhancements and additional offerings to its readers with a breadth of commemorative content, campaigns and exciting partnership opportunities with clients to celebrate five (5) decades of shaping the nation together. In addition, the Group is also building up StarPicks to bring its rich collection of print supplements and special pullouts online and into TheStar.com.my providing more value to clients' branded content.

In the continual effort to support SMEs in building business resilience in the wake of Covid-19, the Group will ramp up its efforts which include building up our community database of local entrepreneurs as well as providing sustainable solutions and offerings to fulfil their business needs, such as market insight reports, cloud services, digital marketing solutions, webinar and events solutions, video and radio production, and more. mStar will also roll out additional content offerings to address SMEs within the Malay market.

To cater to the demand of parents looking for educational content for children in digital formats, Kuntum will be launching e-Kuntum in the second quarter of 2021.

Kuali will continue to grow the Home Bakers segment and will go full force into e-commerce collaboration with major grocery retailers by producing more 'shoppable recipes'.

Meanwhile, the Group will continue to unlock the value of its land and building assets through tenancy, including listing its property in Airbnb and being on the lookout for potential partners for joint developments. At an appropriate time, the Group will consider the possibility of development projects for the next cycle of growth in the property development industry to increase investment yield.

Leveraging on changes in consumer demand and the evolving media landscape, the Group will continue to demonstrate adaptability and build resilience by seizing opportunities that position the Group for sustainable growth and value creation.

TRIBUTE AND THANKS

On behalf of the Board, I would like to thank former Chairman, Dato' Fu Ah Kiow for his unstinting contributions over the past seven (7) years. He has been a valuable and dedicated member of our team.

I would also like to welcome our Group Chief Executive Officer, Mr. Alex Yeow Wai Siaw, who joined the Group on 1 March 2021. I am confident that with his rich and diverse experience, he will be able to contribute to the Group as we constantly look for new business opportunities to strengthen our core business.

We have come a long way with the support of all our stakeholders. I would like to take this opportunity to express my sincere gratitude to each and every one of you for the confidence and trust you have placed in us. I also extend my heartiest thanks and appreciation to the Management and staff for their hard work and commitment. Finally, I would like to thank my fellow Directors for their support and guidance since I am appointed to the Board on 15 March 2021. I look forward to their continued support.

Tan Sri Dato' Seri Chor Chee Heung
Chairman

31 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

FORGING AHEAD

OVERVIEW OF STAR MEDIA GROUP BERHAD

In our mission to enrich lives, cultivate strong communities and drive progress across all touchpoints, Star Media Group has transitioned from a single-product company to an integrated multi-media organisation specialising in news, lifestyle, entertainment and education, with a strong presence in print, digital, radio, as well as events and exhibitions.

Across all platforms, our commitment to journalistic excellence and delivering engaging content makes Star Media Group's flagship brand The Star a credible source of news and information.

Recognised and trusted for the quality of our reporting and content, The Star continues to hold true to traditional journalistic values in the Group's mission to inform, inspire and innovate.

Being a media conglomerate on the Main Market on Bursa Malaysia offering innovative, multifaceted media solutions across its various platforms, the Group is dedicated to bringing long-term value for its investors, clients, consumers and stakeholders through dynamic and sustainable measures.

The Group carries a consumer-first mindset to guide its diverse portfolio and is focused on curating a seamless experience in integrated communications for clients and consumers.

In our progress to vitalise our standing as a strong contender in the ASEAN region, Star Media Group is penetrating key market segments by introducing SMG Brand Studio to provide a one-stop solution for end-to-end marketing strategies, campaign management as well as data and analytics. This new service will help us expand our reach and realise new monetisation opportunities.

2020 has been a test of Star Media Group's resilience and endurance during these unprecedented times. We will continue to focus our efforts on ensuring that we deliver on our mandate of informing, educating and entertaining by continuously adapting and innovating, forging ahead to meet changing media consumption behaviour.

REVIEW OF FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 31 December 2020 was RM196.42 million, a decline of 37.8% from RM315.93 million a year ago. Revenue from all segments were impacted by the Covid-19 pandemic and prolonged Movement Control Orders ("MCOs"). However, with the implementation of the Recovery and Conditional Movement Control Orders in the second half of the year, revenue has gradually improved and we saw a slight spend shift into digital advertising.

The Group recorded a loss after tax of RM19.79 million in FY2020 as compared to a profit after tax of RM5.72 million in FY2019. The loss was mainly due to lower revenue from Print segment as well as impairment of assets of RM12.97 million. Due to Covid-19, many businesses are holding their advertising spending for other business priorities.

The Group carries a consumer-first mindset to guide its diverse portfolio and is focused on curating a seamless experience in integrated communications for clients and consumers.

While print revenue continued to be under pressure, we saw very encouraging growth of 17% in digital revenue during the last quarter of FY2020, which was mainly attributable to the increase in the digital advertorial, branded content, programmatic and paywall subscription revenue. This shows that the Group is on track with its digital transformation and multi-channel strategy approach to develop more earning streams towards digital channels, which are also complemented with our solution-based marketing services to increase advertising take-up rates during these uncertain times.

The cautious stance taken by advertisers throughout 2020 led to a decline in the radio segment's revenue to RM20.27 million from RM24.82 million a year ago. Events & Exhibitions segment's revenue declined significantly from RM13.80 million in FY2019 to RM3.68 million in FY2020 due to the cancellation of physical events caused by the pandemic.

DIVIDEND

No interim dividend has been recommended for the financial year ended 31 December 2020 (2019: interim dividend of 2.0 sen per ordinary share, single tier).

REVIEW OF OPERATIONS

PRINT

The Star

In the time of the pandemic that has brought on unprecedented disruptions to the already challenging media industry, The Star has continued to be one of Malaysia's leading English daily.

Our role as a reliable point of reference was crucial in the combat against fake news and we continued to push out extensive and in-depth coverage on pertinent issues surrounding Covid-19.

Testament of the years of informing and inspiring through compelling and trusted content, The Star was voted by consumers as one of the top media networks at the 2020 Putra Brand Awards.

Kuntum

Kuntum celebrated 40 years of educating and entertaining young minds.

It garnered over 3,000 subscriptions in 2020, breaking subscription records from previous years, thanks to strategic marketing and engagement tactics.

During the MCO due to Covid-19, the importance of technology and digitalisation became more apparent. Kuntum reached out to parents through its very first online webinar which garnered close to 300 registrants across two days. This is an expansion of Kuntum's digital presence.

Aside from the animated series on YouTube featuring Kuntum's distinctive mascots, children also learnt how to not only speak but write Mandarin through the 'Belajar Bahasa Mandarin bersama Cikgu Tang' programme.



Management Discussion and Analysis (cont'd.)

DIGITAL

Star Media Group introduced The Star Digital Access, a digital membership plan for TheStar.com.my and its mobile app, bringing the news portal and app to the next level. The introduction of the dynamic paywall was necessary to ensure the continued provision of quality journalism. As part of the fourth estate, The Star upholds its duty of keeping Malaysians informed of issues that impact the nation by ensuring breaking news continues to be accessible to all.

2020 also saw Star Media Group taking on strategic investments to continue remaining competitive within the media industry.

Star Media Group leveraged DailyMotion's video solutions in its video strategy. The partnership allows the Group to provide its consumers with better user experience, while matching its existing functionality with better cost efficiencies and maximised revenue.

Moving across its various product brands, Star Media Group saw the launch of apps to complement the respective products' services.

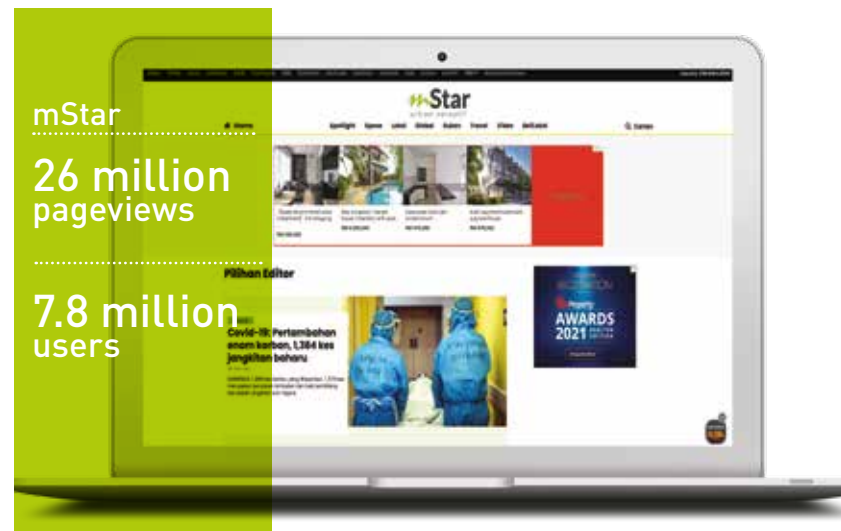
Suria's new app was designed with the station's cleaner segment aesthetics, cross platform content integration and monetisation elements in mind. Instead of solely listening to live radio broadcasts, Suria listeners are now able to catch up on their favourite talk sets, listen to the latest podcasts and watch signature contents on the app. There is also an option to watch live broadcasted segments and interact with Suria announcers and special guests through a Live Chat feature for giveaways and contests or Q&A sessions. To date, the Suria app recorded 792,000 users.

Malaysia's preferred room accommodation portal iBilik also saw the launching of its mobile app resulting in a spike in the number of listings between May and December 2020. The highest number was recorded in November 2020 at 15,277 new listings. The new app includes a variety of features including a predictive smart search function that prognosticates location, property name and provides recommendations.

mStar

The Group's Bahasa Malaysia lifestyle and entertainment portal continues to reach new heights as it celebrated its 15th anniversary in 2020.

In September 2020, mStar reached its highest number of pageviews and users at 26 million pageviews and 7.8 million users *(Source: Google Analytics 2020)*.



mStar's digital presence is further amplified across its social media platforms where it amassed 2.31 million total followers. Some of its significant milestones include:

- being awarded the YouTube Silver Play Button for reaching more than 100,000 subscribers on the mStar Online Malaysia YouTube channel.
- obtaining the highest number of subscribers among other channels owned by any entertainment and lifestyle portals on Telegram.
- the reintroduction of the mStar app that garnered 450,000 monthly screenviews.

RADIO

988

988 continues to hold its pole position as one of Malaysia's top Chinese language radio stations.

The GfK Radio Audience Measurement Survey (RAM) Wave 2 2020 revealed that 988's weekly cumulative audience reached the 2.0 million milestone, the highest it has ever recorded.

988 also recorded the highest weekday and weekend listenership among Chinese radio stations. The survey showed 988's weekday and weekend listenership both overtook other Chinese radio stations as the most-listened-to station. Weekly listenership for weekday and weekend stood at 1.92 million and 1.57 million respectively.

Hosted by 988 DJs Chan Fong, Emily, and Joycelyn, the 'Morning Up' segment's weekly listenership expanded to 1.36 million, making it the most-listened-to morning radio programme slot among Chinese stations. The segment's exclusive listeners among all Chinese radio stations grew by 64,000; achieving 715,000 exclusive listenership.

988's digital presence continues on its upward trajectory as it records 1.56 million average monthly digital streams.



Suria

Suria reached its highest listenership at 2.92 million weekly and ranked fourth amongst all commercial radio stations in Malaysia according to the GfK Radio Audience Measurement Survey (RAM) Wave 2 2020 survey.

The ever-popular evening segment, Suria Cinta, continues to draw listeners and maintained as the segment with the Highest Time Spent Listening for eight consecutive radio surveys. This could be attributed to its host DJ Lin's popularity. For the second year in a row, the Suria DJ brought home the prestigious Berita Harian's Anugerah Bintang Popular 2020 for Most Popular Radio Presenter. DJ Lin has won the award three times since 2015, a testament to her contribution and recognition amongst industry peers.

Suria also recorded an increase in its weekly listenership from 2.64 million in 2019 to 2.92 million in 2020.

On the digital front, Suria recorded an increase in its digital radio streams to 3.77 million in 2020 as compared to 2.73 million in 2019.

Suria's digital presence was elevated thanks to brand new and exciting content across its various platforms. The Suria Duo X singing competition finale episode garnered over 5,000 concurrent views across YouTube, Facebook and Suria App, while the overall programme garnered over 1 million views across all of its social media platforms.

In place of the annual Jelajah Suria on-ground event, Suria ran its first ever virtual concert Konsert Suria Nova Bersama Anda. A collaboration with music label Nova, the virtual concert featured 8 popular artists and was also an initiative by the radio station to support industry partners and artists during challenging times at the height of the MCO due to Covid-19. Its other virtual concerts included the Konsert Akustika Ramadan Suria and Riuh Raya Suria in conjunction with Hari Raya and Ramadan.

EVENTS AND EXHIBITIONS

With the pandemic impacting on-ground events across every industry, Star Media Group pivoted its events and exhibitions platform to the digital sphere, opening up opportunities for omnichannel engagement.

Part of the reshaping was the shift to conducting more digital events and curating relevant content on what may be a good course of action for consumers in these challenging times. This gave marketers and advertisers a new viable avenue to engage their audiences and attract new demographics.

The pandemic brought on an urgent need for knowledge exchange. Addressing this need, Star Media Group carried out various workshops and seminars highlighting pertinent topics addressing real current issues faced by the business community impacted by Covid-19. The virtual sessions also featured topics that addressed consumers' concerns regarding general wellness, and entrepreneurial topics for those looking to start their own small business.

Some of the notable virtual events that were carried out include:

- the #cXo2020 virtual conference, a 4-day conference revolving around disruptive marketing. The conference was live streamed across three different platforms (Webex, Facebook and YouTube) and garnered over 8,393 viewers across four days.
- #digitalXdata2020 virtual conference, a 4-day conference covering topics dedicated to sharing solutions to business challenges and uncovering growth opportunities in today's data-driven world. The conference was well received and garnered a total of 93,180 accumulated views across four days.

Management Discussion and Analysis (cont'd.)



The annual Star Outstanding Business Awards (“SOBA”) returned for its 11th run, going virtual for the launch event. Complementing the awards programme, the Group also carried out a number of capacity-building initiatives for small and medium enterprises (SMEs) through SOBA Lab, with topics ranging from business strategies to business reinvention and sustainability to assist SMEs during turbulent times brought on by Covid-19. Aside from that, aimed at addressing pertinent issues among SMEs in sustaining their businesses beyond the Covid-19 pandemic, the Group carried out a series of knowledge-sharing sessions under the SOBA SMEBiz Webinar.

2020 proved to be a challenging year for StarProperty but nevertheless, additional efforts were made to ensure that it remained as a one-stop omni-channel platform for real estate buyers, investors and renters.

Steps were taken not just to increase brand presence and enhance customer experience through real-time access to information, but attention was also given to combating the negative effects of the Covid-19 pandemic, which had an adverse effect on the property market as a whole.

While the subsequent MCOs affected the number of physical StarProperty Fairs for 2020, it also marked the start of the first series of digital and virtual StarProperty Fairs, shifting the focus to beyond the traditional brick and mortar approach.

From the first virtual fair conducted, the StarProperty Stay-At-New Home Virtual Fair 2020 drew 25,000 views. Following the encouraging response, StarProperty is exploring more digital-based fairs that will enable homebuyers to be more informed as well as provide a better interactive property-buying experience.

StarProperty also continued to organise one of the property industry’s most sought-after accolades, StarProperty Awards. In keeping with the trend of digitalisation to curb the spread of Covid-19 and ensure the safety of all those involved, the StarProperty Awards 2020 Real Estate Developer ceremony was held virtually for the first time in December 2020. It broke new grounds as winners celebrated their hard-won trophies in style in cyberspace. The effects of the Covid-19 pandemic, while negative in many aspects, has inadvertently helped to leapfrog StarProperty and iBilik faster and further ahead.

Perfect Livin continues to offer complete home solutions for homeowners all under one roof. Adhering to strict standard operating procedures and in compliance with set guidelines, Perfect Livin opened its doors to members of the public.

Perfect Livin’s website, www.perfectlivin.com, also recently underwent a revamp to appeal to the younger market as well as the public in general.

Aside from sharing information on the home expo, the upgraded website is more content-driven – centred upon home and lifestyle solutions, tips on home renovation and designs from experts as well as interactive features with users.

PUTTING CONSUMERS AT THE FOREFRONT

As the pandemic continues to impact lives and businesses, Star Media Group remains committed to its mission of informing, educating and entertaining while bearing in mind the needs of consumers during these unprecedented times. To that end, the Group leveraged on content creation and its far-reaching influence across its various platforms along with initiatives to assist SMEs affected by the pandemic.



Some of the focused content and initiatives carried out in light of Covid-19 include:

- the introduction of BeliLokal, an online platform to empower and spur support for home-grown Malaysian businesses and their unique brand stories.
- an online SME listings service on mStar called MyBeli during the first MCO in April 2020 to help boost SME sales. The MyBeli segment was then shifted to the BeliLokal platform in August 2020. They also introduced a one-off package for small business owners to promote their services via posting on mStar's Facebook and Instagram pages.
- The Star, Kuntum, mStar, as well as the Group's radio segments carried content dedicated to informing the public on the latest updates on Covid-19.
- across its product offerings, The Star Digital Access, The Star ePaper and Dimsum Entertainment offered free one month access during the first and second MCO.

MOVING FORWARD

The Covid-19 pandemic has evolved into a global economic crisis where it has impacted most industries. Business and consumer behaviours remain uncertain but revenue has gradually improved since 3Q 2020 and drastic measures are also being taken to contain the impact.

Despite the challenging environment, the Group has continued to progress with its digital transformation initiatives to improve its costs and operational efficiencies. In March 2020, The Star launched its paywall as part of the Group's monetisation strategies to diversify revenue streams. Due to the SOP restrictions to combat the Covid-19 pandemic, we have executed a number of virtual fairs and events in place of the physical ones. We have also launched a number of new digital products and platforms, which include The Star Mall,

BeliLokal, 988 Shop Now and the Suria mobile application to further reach out to our audiences. With the continuous enrichments of our database collections, our products are equipped with premium access, special features and newsletters to cater for the digital advertising demand of our clients.

The Group expects revenue growth from its digital segment to continue despite soft and challenging market conditions. The Group will focus on using new technologies and analytics to improve, deepen and predict how our customers consume content with the end goal of increasing engagement and monetisation to drive new revenue streams beyond print. Towards this end, SMG Brand Studio provides advertisers with a one-stop shop for solution-based, end-to-end marketing planning encompassing strategy, data and analytics to creative and content execution. This new service will certainly complement our existing growth in digital platforms, and we hope to increase advertising take-up rates during these uncertain times and achieve a higher growth in the near future.

The Group has embarked on various cost-cutting measures including manpower rationalisation and realignments. Efforts are also being directed at restructuring some of the business units within the Group which allows us to re-strategise operations, especially post MCO.

The Group has a strong balance sheet, with a cash reserve of more than RM300.0 million with no borrowings as of 31 December 2020. This will act as a solid base for SMG to capitalise on merger and acquisition opportunities during the market consolidation, and even penetrate into new businesses that have a promising outlook. With its strong financial standing, the Board is confident the Group is well positioned to weather through these unprecedented challenges.

PROFILES OF DIRECTORS

(as at 1 April 2021)



TAN SRI DATO' SERI CHOR CHEE HEUNG
Chairman, Independent Non-Executive Director

Nationality:
Malaysian

Age:
66

Gender:
Male

Date Appointed to the Board
15 March 2021

Length of Service as a Director (as at 1 April 2021)
2 weeks

Date of Last Re-Election as a Director
N/A

Board Meeting Attendance in 2020
N/A

Membership of Board Committee(s)
• Remuneration Committee (Chairman)

Academic/Professional Qualification(s)
• Honourable Society of Lincoln's Inn – Barrister at Law
• Master of Arts in Business Law, London Metropolitan University

Present Directorship(s)
Listed Company
• Nil

Other Public Company
• Nil

Working Experience
Tan Sri Chor has had a distinguished career with the Government of Malaysia where he held several senior ministerial positions since 2000. He was made the Minister of Housing and Local Government (2010-2013) and a Member of Parliament (1990-2013). Prior to that, he served as the Deputy Minister of Home Affairs and Deputy Minister of Finance (2000-2009) as well as Parliamentary Secretary for Ministry of Transport (1995-2000). Before entering the political arena, Tan Sri Chor practised law since 1981 until 1992.

His other positions while being a Member of Parliament was being appointed as the Chairman of Commonwealth Parliamentary Association, Malaysian Parliament (2000-2002) and a Permanent Member of Asean Inter Parliamentary Organisation Conference Representing Malaysian Parliament (1990-2000). After leaving his political career, Tan Sri Chor entered the corporate world where he was appointed Commissioner of Malaysian Aviation Commission (MAVCOM) and advisor in Melati Ehsan Holdings Bhd. He also sat on the board of various public listed companies including Tenaga Nasional Berhad between 2015 and 2018. Tan Sri Chor is currently a council member of Universiti Tunku Abdul Rahman.



TAN SRI DATO' SRI KUAN PENG CHING @ KUAN PENG SOON
Deputy Chairman, Non-Independent Non-Executive Director

Nationality:
Malaysian

Age:
75

Gender:
Male

Date Appointed to the Board
27 February 2014

Length of Service as a Director (as at 1 April 2021)
7 years 1 month

Date of Last Re-Election as a Director
15 May 2019

Board Meeting Attendance in 2020
4/6

Membership of Board Committee(s)
• 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
• Fajarbaru Builder Group Berhad

Other Public Companies
• Star Foundation (non-profit organisation)
• Kojadi Skill Development 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:	Age:	Gender:
Malaysian	75	Male

Date Appointed to the Board

23 July 1997

Length of Service as a Director (as at 1 April 2021)

23 years 8 months

Date of Last Re-Election as a Director

15 May 2019

Board Meeting Attendance in 2020

6/6

Membership of Board Committee(s)

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

Academic/Professional Qualification(s)

- Bachelor of Science (Hons) 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

Other Public Companies

- Karambrunai 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 (now known as Universiti Putra 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 the President and Chief Executive Officer of Malaysian Technology Development Corporation Sdn Bhd. He retired as a director from Konsortium Logistics Bhd in 2007. In 2015, he was appointed as the director of Trusgate Berhad and Group and subsequently resigned on 31 July 2019.



MR. CHOONG TUCK OON

Independent Non-Executive Director

Nationality:	Age:	Gender:
Malaysian	62	Male

Date Appointed to the Board

1 June 2017

Length of Service as a Director (as at 1 April 2021)

3 years 10 months

Date of Last Re-Election as a Director

15 May 2018

Board Meeting Attendance in 2020

6/6

Membership of Board Committee(s)

- 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

Other Public Companies

- Credit Guarantee Corporation Malaysia Berhad
- FIDE Forum

Working Experience

Mr. Choong specialises in technology, strategy and transformation in both the banking and insurance industries. He is also an active member of the digital start-up ecosystem in ASEAN. He was with Accenture for twenty-four (24) years, where he retired as Senior Partner of Financial Services in the Asia-Pacific. 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 microfinancing 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 position in various upstream and downstream functions for more than seven (7) years.

Profiles of Directors (cont'd.)



MADAM WONG YOU FONG

Independent Non-Executive Director

Nationality:
Malaysian

Age:
49

Gender:
Female

Date Appointed to the Board

1 June 2017

Length of Service as a Director (as at 1 April 2021)

3 years 10 months

Date of Last Re-Election as a Director

22 June 2020

Board Meeting Attendance in 2020

6/6

Membership of Board Committee(s)

- Nomination Committee (Member)

Academic/Professional Qualification(s)

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

Present Directorship(s)

Listed Company

- Nil

Other Public Company

- Nil

Working Experience

Madam Wong is a practicing lawyer with more than twenty-five (25) years' experience. She is currently practicing under firm of Messrs. Wong You Fong & Associates.



MR. CHAN SENG FATT

Independent Non-Executive Director

Nationality:
Malaysian

Age:
57

Gender:
Male

Date Appointed to the Board

11 August 2018

Length of Service as a Director (as at 1 April 2021)

2 year 7 months

Date of Last Re-Election as a Director

15 May 2019

Board Meeting Attendance in 2020

6/6

Membership of Board Committee(s)

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

Academic/Professional Qualification(s)

- Chartered Accountant of the Malaysian Institute of Accountants

Present Directorship(s)

Listed Companies

- Fitters Diversified Berhad
- Salcon Berhad

Other Public Company

- 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 from 2007 to 2012. Prior to joining Tradewinds Group, he had held several senior positions in various public and private companies.



MR. LOH CHEE CAN

Independent Non-Executive Director

Nationality:
Malaysian

Age:
52

Gender:
Male

Date Appointed to the Board

3 January 2019

Length of Service as a Director (as at 1 April 2021)

2 year 3 months

Date of Last Re-Election as a Director

15 May 2019

Board Meeting Attendance in 2020

6/6

Membership of Board Committee(s)

- 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

Other Public Company

- 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.

Currently, Mr. Loh is the Chief Executive Officer of Port Klang Free Zone.

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.

PROFILES OF KEY MANAGEMENT

(as at 1 April 2021)



MR. YEOW WAI SIAW

Group Chief Executive Officer

Nationality : Malaysian

Age : 56

Gender : Male

Date of Appointment to Current Role

1 March 2021

Academic/Professional Qualification(s)

- MBA in Finance with distinction, University of Hull, United Kingdom
- Bachelor of Industrial and Mechanical Engineering with First Class Honour, Universiti Teknologi Malaysia

Present Directorship(s)

Listed Company

- Nil

Other Public Company

- Nil

Working Experience

Mr. Yeow has significant professional and management experience across a wide spectrum of industries. His notable working experience covered senior management roles in multinational and conglomerates such as Malayan Cement Berhad, Hong Leong Group and Hap Seng Consolidated Berhad.

Mr. Yeow was a consultant in McKinsey & Company which set the ground for his early involvement in the corporate world serving top management of various corporate clients as well as Government Link Companies in Malaysia, Indonesia and Singapore.

Mr. Yeow has served as director in a few public listed companies including the roles as the Group Chief Executive Officer and Executive Director of Tropicana Corporation Berhad, Non-Executive Director of Hafary Holdings Limited, Managing Director and Executive Director of Guocoland (Malaysia) Berhad and Executive Director of Tower Real Estate Investment Trust.



MR. KANG YEW JIN

Chief Operating Officer, Digital & Print

Nationality : Malaysian

Age : 50

Gender : Male

Date of Appointment to Current Role

1 January 2021

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

Other Public Company

- Nil

Working Experience

Mr. Kang joined as Group Chief Technology Officer on 16 April 2018 to oversee the Group's overall strategies and initiatives related to technology and focus on digital transformation across the Group. He was promoted to Chief Operating Officer, Digital & Print on 1 January 2021 to lead the operations of the four (4) departments namely Technology, Analytics, Circulation and Production.

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. In 2020, for the second year in a row, he made it to the same IDG ASEAN 50 most innovative technology leaders list again.

Date of Appointment to Current Role

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

Other Public Company

- Nil

Working Experience

Mr. Au has more than eighteen (18) years of experience in finance management, financial reporting, corporate finance, treasury reporting, 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 systems and other new business investment. His last position with PRGL was Chief Financial Officer from May 2013 to December 2018.

Prior to joining the Company, 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.

**MR. AU CHEN SUM**

Group Chief Financial Officer

Nationality : Malaysian**Age** : 41**Gender** : Male**Date of Appointment to Current Role**

1 May 2018

Academic/Professional Qualification(s)

- Bachelor of Arts (Honours), Universiti Kebangsaan Malaysia

Present Directorship(s)

Listed Company

- Nil

Other Public Company

- 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 Ng 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. ESTHER NG SEK YEE**

Chief Content Officer

Nationality : Malaysian**Age** : 52**Gender** : Female

Profiles of Key Management (cont'd.)



MS. WANG CHEN CHOO

Chief Revenue Officer

Nationality : Malaysian

Age : 49

Gender : Female

Date of Appointment to Current Role

1 May 2018

Academic/Professional Qualification(s)

- Bachelor of Science in Resource Economics, Universiti Pertanian Malaysia

Present Directorship(s)

Listed Company

- Nil

Other Public Company

- Nil

Working Experience

Ms. Wang joined the Company in 2014 as General Manager in charge of direct clients. In May 2018, she was promoted to Chief Revenue Officer. 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. 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.



MR. TERENCE RAJ

Senior General Manager, Group People

Nationality : Malaysian

Age : 47

Gender : Male

Date of Appointment to Current Role

1 April 2021

Academic/Professional Qualification(s)

- Bachelor of Arts, University of Malaya

Present Directorship(s)

Listed Company

- Nil

Other Public Company

- 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.

Date of Appointment to Current Role

1 April 2021

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

Other Public Company

- 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 moved 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.

**MS. CHAI MING JYE**

General Manager,
Internal Audit

Nationality : Malaysian

Age : 43

Gender : Female

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 have 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 (“Board”) of Star Media Group Berhad (“Star” or “the Company”) believes that good corporate governance is vital in the long term success and sustainability of the business and performance of the Company and its subsidiaries (“the Group”) whilst generating sustainable shareholder value and meeting its obligations towards its shareholders and other stakeholders. The Company supports the principles of good governance and the recommended practices provided in the Malaysian Code on Corporate Governance (“MCCG”).

The Board is pleased to present this statement to provide shareholders with an overview of the corporate governance practices adopted by the Company during the financial year ended 31 December 2020 (“FY2020”), guided by the main principles and recommended practices as set out in the MCCG.

This statement is to be read together with the Corporate Governance Report 2020 which provides more details on the application of the Company’s corporate governance practices during FY2020. The said report is available on the Company’s website at <https://www.starmediagroup.my/investors-relations/corporate-governance-report/>.

As of 31 December 2020, the Company in principle endorses the key principles of good corporate governance and applies all recommended practices in the MCCG with the exception of the following practices:

Practice 4.7	Nominating Committee shall be chaired by an independent director or senior independent director
Practice 7.2	Disclosure of top five (5) senior management’s remuneration on a name basis

The explanation for departure is further disclosed in the Corporate Governance Report 2020.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD ROLES AND RESPONSIBILITIES

The Board, led by the Chairman, takes primary responsibility in leading and defining the Group’s strategic direction. The responsibilities of the Board include formulating and reviewing the Group’s strategic plan and annual business plans of the key operating units and determining the allocation of resources and capabilities required to deliver its strategic aims and objectives.

The Board Charter adopted by the Board provides an overview of the roles and responsibilities of the Board of Directors, powers of the Board and Board Committees, separation of roles between Board and Management and the practice of the Board in terms of corporate governance matters.

The Board Charter is published on the Company’s website at <https://cdn.starmediagroup.my/board-charter/Star-Board-Charter.pdf>. The Board Charter is periodically reviewed and updated as and when deemed necessary and upon any new regulations to ensure that it remains relevant to the Company’s objectives and in line with the best practices recommended in the MCCG.

Company Secretary

The Company Secretary whom is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 (“CA 2016”) plays an important advisory and compliance role to the Board and support the Board in ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Board has direct and unrestricted access to the advice and services of the Company Secretary.

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 updated whenever necessary to ensure they remain relevant to the Group processes and comply to regulations.

In line with the enforcement of the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which came into effect 1 June 2020, the Board has approved the adoption of the Anti-Corruption Policy. The Group is committed to conduct business dealings with the highest standard of integrity and ethics to comply with the applicable laws and regulatory requirements on anti-corruption. The Anti-Corruption Policy is published on the Company's website at www.starmediagroup.my.

Whistleblowing Policy

The Company also has in place a Whistleblowing Policy to provide an avenue for all employees of the Group to raise or report legitimate concerns about any actual or suspected unethical conduct at the earliest opportunity for investigation.

The details of the Whistleblowing Policy are published on the Company's website, www.starmediagroup.my.

II. BOARD COMPOSITION

As at the date of this statement, the Board consists of seven (7) members, comprising five (5) Independent Non-Executive Directors including Chairman and two (2) Non-Independent Non-Executive Directors. More than half of the Board members are Independent Non-Executive Directors.

The Board is of the view that the existing 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 of member of the Board is presented on pages 26 to 29 of this Annual Report.

The Board undertakes a formal evaluation of its own performance, and that of its committees and individual directors to ensure the Board and its Committees continue to perform effectively. The Board has delegated the evaluation process to the Nomination Committee ("NC") which is conducted by way of internal assessment, facilitated by the Company Secretary. A tailored questionnaire is used to collect views and comments from Board members to carry out the annual assessment. In assessing the independence of an Independent Director, the NC took into account the criteria set out in the Listing Requirements of Bursa Securities, MCGG 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.

The NC had conducted the Board Effectiveness Annual Evaluation internally in early 2021 and based on the results of the assessment, 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 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 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.

Meetings of the Board and Board Committees

Board meetings are held at least five (5) times annually to determine overall strategies, receive management updates, approve business plans as well as quarterly and annual financial results and to consider other significant matters. At these meetings, Senior Management also provides regular updates to the Board with respect to the Group's business activities and development of the Group together with regulatory and policy updates.

The annual Board meeting calendar is planned ahead and communicated to the Board prior to the commencement of each new 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 in accordance with the Constitution of the Company. Proceedings of the meetings are properly recorded in the minutes which are kept by the Company Secretary at the registered office of the Company.

During the year under review, the Board held six (6) meetings including four (4) scheduled board meetings.

The details of the attendance of the Directors for FY2020 are set out below:

Directors	Number of Board Meetings attended/held	Percentage of attendance (%)
Dato' Fu Ah Kiow (Chairman) <i>Chairman, Independent Non-Executive Director</i> <i>(Resigned on 1 March 2021)</i>	6/6	100
Tan Sri Dato' Sri Kuan Peng Soon <i>Deputy Chairman, Non-Independent Non-Executive Director</i>	4/6	67
Dato' Dr. Mohd Aminuddin bin Mohd Rouse <i>Non-Independent Non-Executive Director</i>	6/6	100
Mr. Choong Tuck Oon <i>Independent Non-Executive Director</i>	6/6	100
Madam Wong You Fong <i>Independent Non-Executive Director</i>	6/6	100
Mr. Chan Seng Fatt <i>Independent Non-Executive Director</i>	6/6	100
Mr. Loh Chee Can <i>Independent Non-Executive Director</i>	6/6	100

Note:

Tan Sri Dato' Seri Chor Chee Heung was appointed as an Independent Non-Executive Director and Chairman on 15 March 2021 and therefore, he was excluded from the above disclosure.

Board Committees

Presently, the Board is supported by three (3) Board Committees, namely Audit Committee ("AC"), NC and Remuneration Committee ("RC") with delegated responsibilities to oversee the Group's affairs and authorise to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR"). The TOR of the Board Committees are available at the Company's website at <https://starmediagroup.my/terms-of-reference/>.

Each Board Committee will review, report and make recommendation to the Board during the Board Meeting on matters relevant to their roles and responsibilities. The Chairman of the respective Board Committee will provide highlights to the Board and the ultimate responsibility for the final decision on all matters, however, lies with the Board. All minutes of the respective Board Committee Meetings are tabled at the quarterly Board Meetings to keep the Board informed of the salient issues discussed.

a) AC

The AC assists the Board in its oversight of the Company's financial reporting process and practices, reviews the Group's system of internal controls, 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 suitability, objectivity and 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 48 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, Functions and Meetings

In line with Paragraph 15.08A (1) of the Listing Requirements of Bursa Securities, the NC of Star comprises exclusively three (3) Non-Executive Directors, with a majority of them being Independent Directors. The NC is chaired by a Non-Independent Non-Executive Director, Tan Sri Dato' Sri Kuan Peng Soon, and the two (2) members of the NC are Madam Wong You Fong and Mr. Chan Seng Fatt.

The primary functions of the NC are as follows:

- (i) To assist the Board in nominating new candidates to the Board and Board Committees
- (ii) To review the required mix of skills, experience and other qualities of the Board to ensure that Board composition meets the needs of the Company
- (iii) To assess annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director
- (iv) To review and considers the appointment/promotion of key management personnel before recommending to the Board for approval
- (v) To consider and report to the Board on the succession planning for the Board and key management personnel of the Group

The NC meets as and when required, at least once annually. During the FY2020, the NC met once and the meeting attendance is as follows:

Directors	Number of Meetings attended/held	Percentage of attendance (%)
Tan Sri Dato' Sri Kuan Peng Soon (Chairman) <i>Non-Independent Non-Executive Director</i>	1/1	100
Madam Wong You Fong <i>Independent Non-Executive Director</i>	1/1	100
Mr. Chan Seng Fatt <i>Independent Non-Executive Director</i>	1/1	100

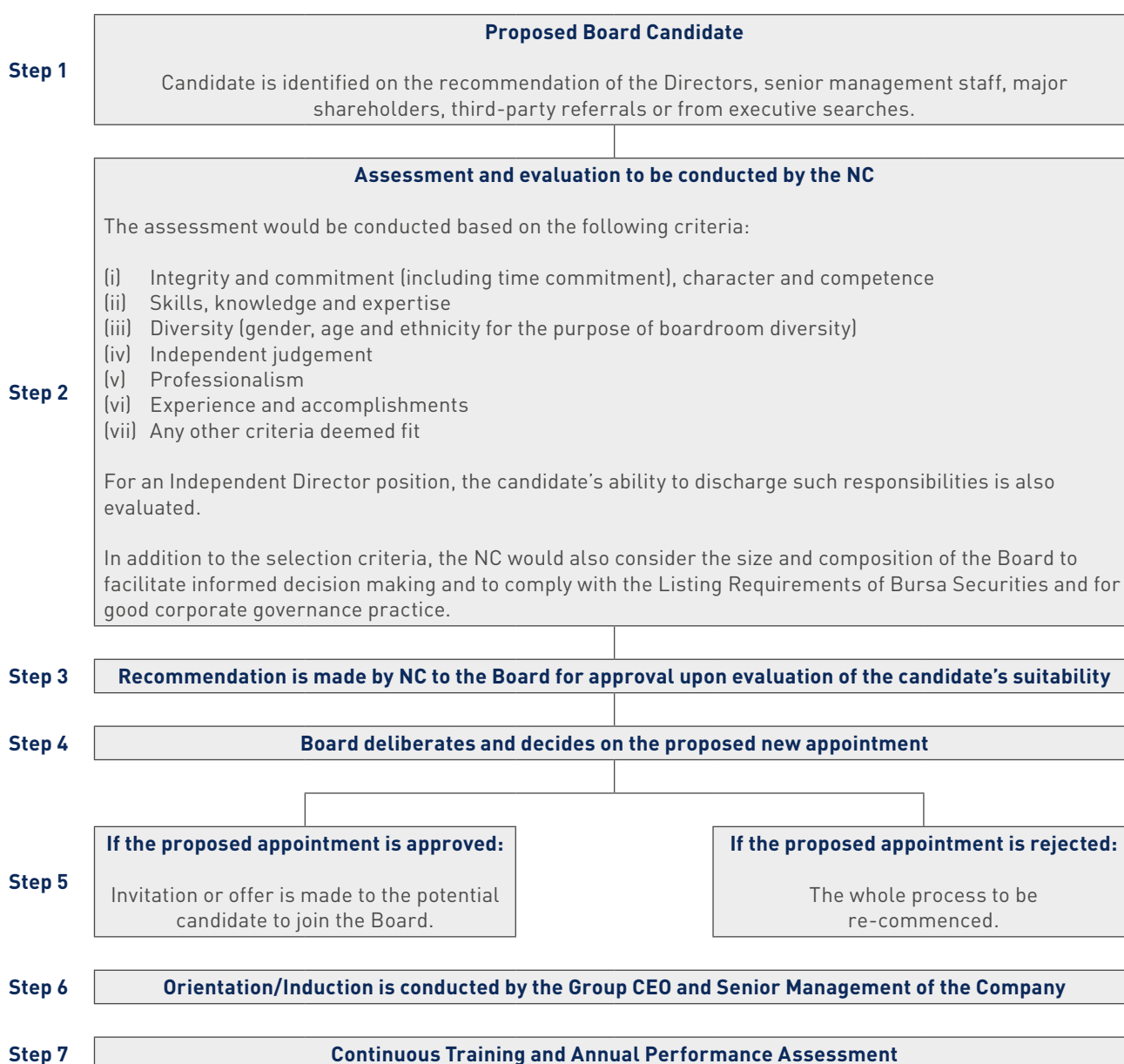
Corporate Governance Overview Statement (cont'd.)

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.

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 2020, the NC had carried out the activities as per its TOR, with particular focus on the following:

- (i) Reviewed the analysis/findings of performance evaluation of the Board as a whole, Board Committees, individual Directors and Independent Directors
- (ii) Reviewed the terms of office of the AC and each of its members in discharging their duties and responsibilities in accordance with its 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 the appointment of key management personnel to the Board for consideration

c) RC

The RC 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 liability 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.

Corporate Governance Overview Statement (cont'd.)

Composition, Functions and Meetings

The RC comprises exclusively four (4) Non-Executive Directors. The current members are Tan Sri Dato' Seri Chor Chee Heung who was appointed as Chairman of the RC effective 15 March 2021, Tan Sri Dato' Sri Kuan Peng Soon, Dato' Dr. Mohd Aminuddin bin Mohd Rouse and Mr. Choong Tuck Oon.

The primary functions of the RC are as follows:

- (i) To recommend to the Board the remuneration packages in all its forms of the Non-Executive Directors
- (ii) To assist the Board in determining the policy framework on the terms of remuneration package in all its forms for the Executive Directors and key management personnel of the Company and Group
- (iii) To review all elements of the remuneration, terms of employment, key performance indicators ("KPI"), reward structure and fringe benefits for the Executive Directors and key management personnel
- (iv) To recommend to the Board the proposed performance bonus and salary increment for the Executive Directors, key management personnel and Heads of Departments/Units
- (v) To consider any compensation package payable for loss or termination of office or appointment of Directors and key management personnel of the Company and Group

The RC meets as and when required, at least once annually.

The RC has met once during the year under review and the attendance record of its members for FY2020 is as follows:

Directors	Number of Meetings attended/held	Percentage of attendance (%)
Dato' Fu Ah Kiow (Chairman)* <i>Independent Non-Executive Director</i>	1/1	100
Tan Sri Dato' Sri Kuan Peng Soon <i>Non-Independent Non-Executive Director</i>	1/1	100
Dato' Dr. Mohd Aminuddin bin Mohd Rouse <i>Non-Independent Non-Executive Director</i>	1/1	100
Mr. Choong Tuck Oon <i>Independent Non-Executive Director</i>	1/1	100

Notes:

* Dato' Fu Ah Kiow ceased as a Member of RC following his resignation as a Director of the Company on 1 March 2021.

Tan Sri Dato' Seri Chor Chee Heung was appointed as a Chairman of RC on 15 March 2021 and therefore, he was excluded from the above disclosure.

DIRECTORS' ONGOING TRAINING AND DEVELOPMENT

Upon the appointment of a Director, he will be briefed on the Company's corporate governance practices, the prevailing regulatory regime and their duties as Directors including disclosure requirements and best practices relating to dealings in securities under applicable laws and regulations. A comprehensive orientation and induction programme, including site visits to the Group's operating centres, is organised for new Directors to familiarise them with the Group's business, operations, organisation structure and corporate policies.

A new Director who has no prior experience as a director of an issuer listed on Bursa Securities must also undergo Mandatory Accreditation Programme ("MAP") accredited by Bursa Securities.

Directors are updated regularly on changes in relevant laws and regulations, industry developments, business initiatives and challenges, and analyst and media commentaries on matters related to the Company and its businesses. As part of the Directors' ongoing training, Directors are informed and encouraged to attend, at the Company's expense, relevant training programmes and other business and financial institutions and consultants.

For FY2020, all Directors had attended the relevant training programmes in the areas of disruptive technologies, digital strategies, budget and financial matters, bribery and anti-money laundering and risk framework and provided with the relevant updates on regulatory and reporting requirements from the relevant authorities.

The Directors are also informed about matters such as the dealing in the Company's shares on a quarterly basis as they are privy to price sensitive information.

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 remuneration policy for senior management also aims to ensure that rewards relate directly to the performance of individuals, the operations and functions in which they work or for which they are responsible, and the overall performance of the Group.

The details of aggregate remuneration of Directors for the FY2020 are as follows:

Directors	Company			Subsidiaries	Group Total
	Fees	Benefits-in-kind and Allowances	Company Total	Allowances	
	RM	RM	RM	RM	RM
Dato' Fu Ah Kiow (Resigned on 1 March 2021)	225,000	84,170	309,170	-	309,170
Tan Sri Dato' Sri Kuan Peng Soon	67,500	43,000	110,500	-	110,500
Dato' Dr. Mohd Aminuddin bin Mohd Rouse	67,500	74,945	142,445	72,000	214,445
Mr. Choong Tuck Oon	67,500	55,000	122,500	-	122,500
Madam Wong You Fong	67,500	23,000	90,500	-	90,500
Mr. Chan Seng Fatt	67,500	58,000	125,500	-	125,500
Mr. Loh Chee Can	67,500	37,000	104,500	-	104,500
Total	630,000	375,115	1,005,115	72,000	1,077,115

Note:

Tan Sri Dato' Seri Chor Chee Heung was appointed as Director and Chairman on 15 March 2021 and therefore he was excluded from the above disclosure.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

The AC consists of four (4) members with majority Independent Non-Executive Directors, namely Mr. Chan Seng Fatt (Chairman), Dato' Dr. Mohd Aminuddin bin Mohd Rouse, Mr. Choog Tuck Oon and Mr. Loh Chee Can.

The AC acknowledges its responsibility for establishing and overseeing the effectiveness of the Company's system and framework of risk management and internal controls. The AC also provides oversight for and management of the relationship with the External Auditors of the Group, including reviewing and monitoring the External Auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

AC is responsible for making recommendations to the Board on the External Auditors' appointment, re-appointment and removal, which are subject to the approval by the Board and by the shareholders at a general meeting of the Company. The AC has assessed the performance of the External Auditors for the financial year ended 31 December 2020. Non-audit services proposed by the External Auditors were presented to the AC to determine if auditors' independence will be compromised. Based on these assessments, the AC recommends the re-appointment of the External Auditors, BDO PLT at the forthcoming AGM of the Company.

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 retains overall responsibility for oversight of the Group's risk management activities. In this regard, the Board sets the risk appetite and monitors material Group-wide risks. In fulfilling these responsibilities, the Board is supported and advised by the AC. 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 Statement on Risk Management and Internal Control set out on pages 44 to 47 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

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

I. COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board recognises the importance of maintaining an ongoing dialogue with the Company's shareholders and other stakeholders and does so through general meetings, press releases, announcements and corporate communications such as the annual report, quarterly report and circular. The Board is committed to the timely disclosure of information. Whilst the Company endeavours to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of ensuring all 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.

The Investor Relation function oversees the Company's engagement with investors. An open dialogue with institutional investors is maintained through regular interactions to promote an understanding of the external views on the Company's performance. The Board welcomes views, questions and concerns from the shareholders and other stakeholders. The contact details are set out in our Company's website.

II. CONDUCT OF GENERAL MEETINGS

In line with good corporate governance practice, the Company served notice of its 48th AGM at least 28 days before the meeting, well in advance of the 21 days requirements under the CA 2016 and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

At the Company's first fully virtual 48th AGM held on 22 June 2020, the Company had leveraged on technology to facilitate remote shareholders' participation and remote online voting in accordance with Clause 69 of the Company's Constitution and Section 327 of the CA 2016. Three (3) members of the Board were present at the Broadcast Venue while three (3) other Board members who are above 60 years old attended the AGM remotely in accordance with the Standard Operating Procedure (SOP) set by the Majlis Keselamatan Negara (MKN) in conducting meetings during the Movement Control Order period. Some Key Management personnel were also present at the Broadcast Venue to respond to any enquiries from the shareholders. Shareholders were encouraged to send their enquiries before the AGM via a designated email address or by post to the Company and participate in the question and answer session during the AGM.

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.

The forthcoming 49th AGM of the Company will be held on 24 May 2021. Further details of the AGM are provided in the Notice of AGM sent to shareholders on 26 April 2021.

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 Corporate Governance Overview Statement was approved by the Board on 25 February 2021.

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 risk 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 of management and financial information, financial losses, fraud and breaches of laws or regulations.

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.

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;
- 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

A formal risk management framework has been established to set clear guidelines in relation to the risk management methodology of the Group and it is designed to put in place proper management of risks. In accordance to the risk management framework, the risk rating and risk mitigating actions are reviewed on a regular basis by the risk owners to identify and evaluate emerging new risks, update the risk profiles and continuous follow-up on the implementation of proposed plans.

The Group has in place an ongoing process to identify, evaluate and manage significant risks that may impede the achievement of the Group's goals and business objectives. The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures, determining the corresponding risk mitigation and remedial measures, ensuring appropriate mitigating plans have been implemented and presenting key matters to Audit Committee for review and deliberation. Periodically, all key risks together with their corrective measures will be summarised and compiled for review of the Audit Committee and subsequent presentation and update to the Board.

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.

STRUCTURE AND APPROACH

The Group adopted a decentralised approach in risk management, whereby each function would be responsible to identify, assess and report its risk. The respective Heads of Department and Chiefs of business platforms took the onus and responsibility to identify, assess, rate and mitigate the risk relating to their departments and businesses. Key management personnel and Chiefs of business platforms are part of the Risk Management Committee ("RMC"). They are to provide updates on the risk, status of the mitigation plan and discuss on emerging risk via an established reporting methodology and platform. The Head of Internal Audit, being part of the RMC, coordinated the correspondence, updates and ongoing risk management processes of the Heads of Department and Chiefs of business platforms and tabled the risk management reporting to the Audit Committee. The Audit Committee reports to the Board the risk management updates and alerts the Board of Directors as and when there are significant changes in the key risks and operating environment with anticipated impact to the business of the Group.

RISK MANAGEMENT PROCESS

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

There is a structured risk management process in placed, ensuring that significant risks are identified and treated accordingly. Potential risks were identified by the respective business functions based on knowledge and expertise, advice from experts and from publicly available information. The risks were then raised, shared and deliberated on a periodic basis via a structured reporting platform. Throughout the year, the risk register was updated based on the information provided by the risk owners.

Statement on Risk Management and Internal Control (cont'd.)

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

- Heads of Department and Chiefs of business platforms entrusted with the responsibility to identify the key risks the Group faces, their changes, and the management actions and plans to manage the risks.
- A Risk Management Framework, 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, Heads of Department and Chiefs of business platforms.
- Ownership of the Risk Register also lies with the Heads of Department and Chiefs of business platforms to constantly manage the risks and to highlight any concerns or new risks.

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 Department, Chiefs of business platforms 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.
- Quarterly review by the Audit Committee on the adequacy and integrity of the system of internal control and risk management process.

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

- There was process in place to review the Group's risk profile which is affected by significant changes in internal and external environment.

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 2020, 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 the 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 2020. 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 25 February 2021.

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 2020.

The primary role of the AC is to assist the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of risk management framework and internal control system as well as consideration of compliance matters. The AC is also responsible for assessing the quality of audit performed by and the independence and objectivity of the External Auditors, and making a recommendation to the Board on the appointment or re-appointment of the External Auditors. Furthermore, the AC oversees the work and quality of the internal audit function.

COMPOSITION

As at the date of this report, the AC comprises four (4) members as follows:

1. **Mr. Chan Seng Fatt** (Chairman)
(Independent Non-Executive Director)
2. **Mr. Choong Tuck Oon**
(Independent Non-Executive Director)
3. **Dato’ Dr. Mohd Aminuddin bin Mohd Rouse**
(Non-Independent Non-Executive Director)
4. **Mr. Loh Chee Can**
(Independent Non-Executive Director)

The composition of AC complies with Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) where all the AC members must be non-executive directors, with a majority of them being independent directors.

The composition of AC also complies with Practice 8.2 of the Malaysian Code of Corporate Governance which states that a former key audit partner shall not be appointed as a member of AC until expiry of a two-year cooling-off period. To-date, no former audit partner has been appointed to AC.

ANNUAL PERFORMANCE ASSESSMENT

The Board via the Nomination Committee (“NC”) annually reviews the terms of office and performance of the AC and its members through an effectiveness evaluation exercise. In early 2021, the NC assessed the AC’s performance for the financial year ended 31 December 2020 and was satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the AC. Through the annual evaluation, the Board also concluded that the members of the AC possess the appropriate and relevant skills, knowledge, experience and attributes they need to fulfil their duties effectively during the year under review.

TERMS OF REFERENCE (“TOR”) OF THE AC

The AC is guided by the TOR to discharge its functions and carry out its duties as set out in the TOR which was last reviewed and updated in August 2020. The TOR of the AC is published on the Company’s website at www.starmediagroup.my.

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 financial year ended 31 December 2020 which were attended by all members. The Group Chief Executive Officer, Group Chief Financial Officer, Head of Internal Audit and other Key Management as well as representatives of the External Auditors attended the meetings upon invitation.

All deliberations during the meetings, including the issues tabled and rationale adopted for recommendations or decisions were properly recorded. Minutes of the AC meetings are tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. The Chairman of the AC would report to the Board on the activities and significant matters discussed at each AC meeting.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2020, the AC received comprehensive reports from Management and the External Auditor on a variety of topics related to management controls and accounting policies, practices and reporting. The key activities carried out during the year under review include the following:

(i) Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Group and related announcements before recommending the same to the Board for approval.
- (b) 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 the relevant regulatory requirements.

(ii) Internal Audit and Risk Management

- (a) Reviewed and approved the risk-based Internal Audit Plan which outlines the audit strategy and approach for financial year ended 31 December 2020 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 of the Group.
- (b) Reviewed and deliberated on the Internal Audit Reports, the audit recommendations and the adequacy of the Management's response to these recommendations. Where appropriate, the AC advised Management on the proposed remedial plans to ensure adequate actions were taken in addressing the issues raised.
- (c) Monitored the implementation of corrective action plans agreed by Management on outstanding audit findings on a quarterly basis to ensure all actions have been implemented in a timely manner.
- (d) Reviewed the adequacy and effectiveness of the Group's Risk Management system including the Group's top risk profiles and deliberated on the significant threats and opportunities including status and adequacy of the mitigation strategies to reduce risk impact to an acceptable level.
- (e) Reviewed the proposed enhancement of Enterprise Risk Management Framework.
- (f) 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.
- (g) Assessed the performance, adequacy, scope, resources and competency of the Internal Audit Department and Risk Management function to ensure they discharge their duties effectively.

(iii) External Audit

- (a) Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year, outlining among others, the audit approach, materiality and performance materiality and areas of significant auditors' attention. Considered the independence of the External Auditors.
- (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 services including pre-approval of permissible non-audit services and non-audit fees incurred for the services rendered to the Company and the Group during the year. The non-audit fees did not exceed 50% of the proposed audit fees for the External Auditors 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 ensure there were no restrictions to the scope of their audit and to discuss significant issues that arose during their audit.

Audit Committee Report (cont'd.)

- (f) Recommended to the Board for the re-appointment of External Auditors to be put to the Company's shareholders for approval at the AGM.

The AC was satisfied with the suitability, performance, technical competency and audit independence of the External Auditors, and therefore recommended the re-appointment of Messrs BDO PLT (which has indicated its willingness to continue in office) as the Group's External Auditors, subject to the approval of the Company's shareholders at the general meeting.

(iv) Other activities

- (a) Reviewed the related party transactions ("RPT") and recurrent RPT 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 the Group's Budget and Forecast Plans.
- (d) Reviewed and updated the TOR of AC to ensure its relevance in assisting the Board to discharge its duties.

INTERNAL AUDIT FUNCTION

The Board and the AC are assisted by the in-house Internal Audit Department ("IAD") in ensuring that a sound system of internal controls is in place. The Group's IAD supports the AC and the Board in discharging their 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 the Management and operations, the 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 2020, the Internal Auditors conducted audit reviews on significant aspects and operations of the Company and Group. The audit review covered overall governance, operational controls, financial related activities and other auditable areas in accordance with the risk profile of the Group. The IAD also conducted follow-up audit to ensure the agreed audit recommendations were implemented appropriately. Review of the RPT and recurrent RPT were also carried out half-yearly to provide assurance to the Board that the transactions carried out between the related parties (if any) 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 2020 amounted to RM810,574.

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 reallocating RM86.0 million for working capital purposes and the remaining of RM66.5 million for future investments requirement.

A summary of the utilisation of the proceeds as at 31 December 2020 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	(86,000)	-	Fully utilised
Total	152,500	(86,000)	66,500	

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 2020 are as follows:

	Group RM'000	Company RM'000
- Audit fees	366	244
- Non-audit fees	82	43
Total	448	287

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 2020 or entered into since the end of the previous financial year.

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

The RRPT of revenue nature incurred by the Group for the financial year ended 31 December 2020 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

FY2020 AWARDS

ASIAN MEDIA AWARDS 2020

Best in Breaking News Article - R.AGE (Gold)

Best in Feature Article - R.AGE (Gold)

Best Sport Photography - Glenn Guan (Silver)



MALAYSIAN PRESS INSTITUTE (MPI) - PETRONAS MALAYSIAN JOURNALISM AWARDS 2020

A. Samad Ismail Young Journalist Award -
Rebecca Rajaendram

Excellent Photo Essay -
Azhar Mahfof

Excellent Investigative Journalism -
Ian Yee & Shanjeev Reddy

Best Frontpage Design -
Tung Eng Hwa (First Prize),
Mohd Izudin Ismail (Consolation)

Best Infographic -
Mohd Izudin Ismail (Consolation)

Best Editorial Cartoon -
Kee Choon Wai (Consolation)

PETRONAS Best Environmental Journalism -
Bavani Mahalingam (Consolation)

Best Feature Article -
Loh Foon Fong (Consolation)

Best Multimedia Journalism -
The Star (Consolation), R.AGE (Consolation)



INSTITUT AGRO USAHAWAN (iGROW) AWARD

Best Issue Analysis Award - Sandhya Menon



MALAYSIAN SOCIETY FOR OCCUPATIONAL SAFETY AND HEALTH (MSOSH) OCCUPATIONAL SAFETY AND HEALTH (OSH) AWARD

Press and News Portal - Bavani Mahalingam (First Runner-up)

KLANG MUNICIPAL COUNCIL (MPK) MEDIA AWARDS 2020

Council President's Award - Edward Rajendra

MEDICAL TRAVEL MEDIA AWARDS 2020

Best Online Report of the Year - Christina Chin & Yuen Meikeng

Journalist of the Year - Christina Chin & Yuen Meikeng

ANUGERAH BINTANG POPULAR BERITA HARIAN (ABPBH32)

Most Popular Radio Presenter Award - DJ Lin

PUTRA BRAND AWARDS

Media Networks - Star Media Group (Gold)

IDC DIGITAL TRANSFORMATION AWARDS MALAYSIA

2020 DX Leader Award - Star Media Group

MARKETING EXCELLENCE AWARD

Excellence in Corporate Social Responsibility - Star Media Group (Silver)

FY2020 HIGHLIGHTS



Trusted in more ways than one

Star Media Group isn't just known for trusted and credible content but also for strong environmental, social and governance (ESG) practices. The inclusion in the FTSE Russell FTSE4Good Bursa Malaysia (F4GBM) Index is testament to the Group's commitment to maintaining high globally recognised standards.

This is the Group's first year as a constituent in the F4GBM Index following the bi-annual review in June and December 2020, representing one of 75 leading Malaysian public-listed companies that demonstrate strong ESG practices and performance.



The Star wins Gold at the Putra Brand Awards

The Star was voted as one of Malaysia's favourite brands at the prestigious 2020 Putra Brand Awards.

A testament of the years of informing and inspiring through compelling and trusted content, The Star won the Gold award in the Media Networks category, its first Gold win since the inception of the Awards programme.

Putra Brand Awards is the premier brand awards in Malaysia and is the only brand award of, by and for brand managers and owners.

Following the launch of its 11th installation, nearly 6,000 consumers have placed over 18,000 votes for 400 of their favourite brands.

The Star had previously won the Silver award in the Media Networks category.

Celebrating 25 years of *TheStar.com.my*

The Star celebrated the quarter-century mark of its online presence by bringing the talents of local artists and everyday Malaysians to the forefront via its social media platform.

With the aim of showcasing the country's cultural diversity and to spur the local art scene in conjunction with Merdeka Day, online readers were invited to post photos, illustrations or drawings of Malaysian food and culture on social media, according to different weekly themes.

The campaign was run with the hopes of spreading the message of patriotism and positivity while creating a treasure trove of stunning visuals in the social media sphere.





40 years of shaping young minds

Malaysia's much loved children's edutainment magazine celebrated its 40th anniversary with amazing giveaways.

As a way of showing their appreciation to subscribers, Kuntum ran a year-long Subscribe and Win campaign, where new subscribers stood a chance to win exciting prizes such as Nintendo Switch, Go-Pro, Fujifilm Instax Mini and more.

Kuntum also ran its very first live online parenting webinar in collaboration with Tenaga Nasional. The two-day session revolved around strategies that parents can implement to ensure a healthy balance in using digital devices, overcoming digital addictions, keeping children safe online, and more.

Kuntum is the only monthly children's edutainment magazine endorsed by the Ministry of Education. As of December 2020, Kuntum has over 3,000 monthly subscribers.

Kuntum for frontliners

As a gesture of appreciation to frontliners, Kuntum carried out the Kuntum Bersamamu initiative which saw the distribution of complimentary issues of Kuntum magazines.

The mission of providing quality reading materials to children of frontliners such as firefighters, police and healthcare workers saw the distribution of 22,150 copies of the edutainment magazine across 39 locations nationwide, including key cities and towns in the northern, central and southern regions.

Sponsors of Kuntum Bersamamu were Yakult Malaysia, The Electric and Electronic Association Malaysia, MCS Holdings Sdn. Bhd. and UOB Malaysia.



Over
22,000
copies
distributed
across
39
locations

FY2020 Highlights (cont'd.)

R.AGE

Elroi Yee awarded the 2020 Bertha Challenge Fellowship

R.AGE deputy executive editor Elroi Yee is one of 20 investigative journalists and activists from around the world selected for the prestigious Bertha Fellowship. A grant will be given to The Star to support Elroi's work at R.AGE.

The Bertha Foundation supports activists, storytellers and lawyers working to bring about social and economic justice and human rights for all.

R.AGE arranges a special surprise for Covid-19 survivors



Many Covid-19 survivors never had the chance to say thank you to the frontliners who helped them.

As part of the #AnakAnakMalaysia campaign, R.AGE organised a very special reunion for some Covid-19 survivors, who shared about their harrowing experiences during the pandemic.

The heartwarming REUNITED viral video by R.AGE tugged at every Malaysian's heartstrings and in just five days, the 10-minute video was viewed nearly 800,000 times on Facebook and Instagram, with over 25,000 shares and hundreds of positive comments.

Members of the public were also invited to support community frontliners by donating to the REUNITED FUND by NGOHub.



Deals galore on *TheStar.com.my*

Star Media Group collaborated with South-East Asia's leading e-commerce aggregator, iPrice Group, to offer Malaysians convenient access to the best online deals from over 100 merchants.

Coupons offered through this platform cover categories ranging from food and grocery, e-hailing, electronics, home and living, beauty and health, fashion, and more.

The offers are now accessible from TheStar.com.my. Visitors can access the page, copy the desired code and head straight to the store to redeem.

With a substantial list of merchant partners and careful curation of deals, The Star's readers can expect to find the best online shopping companion.



mStar celebrates its 15th anniversary

mStar readers were treated to a ton of exciting giveaways in conjunction with its 15th anniversary. The prizes included passes to the Lost World of Tambun, Sunway Lagoon, Erya by Suria and SuperPark Malaysia. As part of the celebrations, readers were also invited to take part in a contest where they also stood a chance to win prizes courtesy of Marrybrown, Vivo, AirAsia and Dimsum Entertainment.



One of the fastest growing lifestyle and entertainment Malay portal, mStar also raked in their highest ever page views and unique visitors in September 2020.

They were also awarded the silver YouTube play button as their YouTube channel reached more 100,000 subscribers in 2020.



Dimsum Entertainment collaborates with Huawei

Dimsum Entertainment's collaboration with the global tech giant Huawei marks a huge milestone for the video-on-demand platform.

Through its collaboration with Huawei Cloud on cloud solutions, artificial intelligence and knowledge sharing, Dimsum Entertainment enhanced its content delivery experience through cloud services and analytics. Dimsum Entertainment also became one of the first video-on-demand services in Malaysia and Singapore to be onboard Huawei's latest video application launcher, Huawei Video.

In 2020, Dimsum Entertainment expanded their content offerings to bring even more entertainment variety for its consumers via collaboration with regional content providers, now including new partners for its dedicated education section. Its extensive content also includes global news from Al Jazeera and Channel News Asia.

To date, Dimsum Entertainment has over 1.2 million subscribers.

Kuali Bakers Community comes out fresh

Kuali bakes the world a better place with its very own Bakers Community to help new entrepreneurs in the baking business. Foodies everywhere can now join Kuali's bakers community through virtual entrepreneur webinars held in partnership with Anchor Food Professionals to help make baking a full-time career.

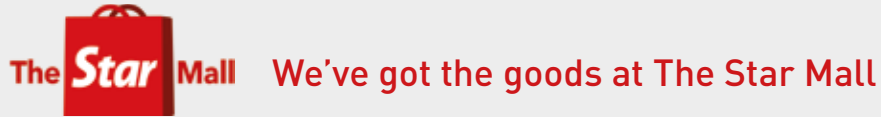
Not only that, members can also participate in social media contests exclusive for the community on top of exclusive baking classes and monthly newsletters containing baking tips from prestigious schools.

The Kuali Bakers Community currently has over 4,000 community members.



Over
4,000
members and
counting

FY2020 Highlights (cont'd.)



The Star Mall offers a host of conversation-worthy items that capture the essence of being proudly Malaysian, allowing everyone to showcase their identity through custom personalisation on a slew of products.

From easily recognised slangs to lighter takes on trending topics in Malaysia, the Local Collection features fun and quirky products that portray Malaysia's unique and diverse culture.

Shoppers can even browse for t-shirts, jute bags, accessories and more from their favourite Star Media Group product brands such as Kuntum, Dimsum Entertainment and mStar.

BELILOKAL

Supporting local businesses on a *chun* new platform

Supporting local brands has never been easier with BeliLokal, Star Media Group's new online local brands catalogue.

The past year had been tough for businesses, especially local brands and small and medium enterprises. A distinct marketplace that champions and breathes life into brands by telling their engaging individual stories, BeliLokal aims to empower Malaysian businesses to uplift their brand and services by rallying the support of the nation.

With functions catered for shoppers and sellers, the platform is centred on supporting local businesses in a fun and young way, taking a 'hyper-localised' approach to make it easy to use and relatable to Malaysians.

With over 100 listed brands across more than five categories, shoppers will be spoilt for choice.





StarProperty

Over
70,000
unique visitors

Shop for homes from your own

StarProperty held their very first virtual property fair with 8 exhibitors and 19 booths. The fair provided a vast catalogue of properties from landed to high-rise properties and commercial lots offered by a curated list of distinguished property developers.

Equipped with multiple helpful matchmaking, sorting and filtering functions, the fair allowed visitors to pinpoint the property of their choice. The virtual presence of salespeople to promptly answer visitors' questions and doubts helped bridge the gaps of virtuality.

The fair was a major success, attracting over 70,000 unique visitors and over 80,000 pageviews.



A celebration of star performers

The fifth annual StarProperty Awards 2020: Real Estate Developers was conducted in cyberspace for the first time, recognising outstanding winners in over 30 categories and sub-categories.

Held virtually due to the Covid-19 pandemic, the star-studded gala made its live premier in December 2020 and drew over 25,000 views.

Receiving a total of 70 entries from real estate agencies, agents and negotiators, the StarProperty Awards 2020: Real Estate Developers paid homage to premier real estate developers and developments that form the fabric of the nation's infrastructure, shaping the property landscape for years to come.

FY2020 Highlights (cont'd.)



Over
1.0 million
views

Suria steals the show

Suria continues to make waves in the radio sphere as one of the most popular radio stations in Malaysia.

Suria's digital presence was also elevated thanks to brand new exciting content. They hosted a live singing competition, Suria Duo X, where participants stood a chance to duet with artists such as Syamel and Siti Sarah, Ara Johari and Azlan & The Typewriter, Aina Abdul and Ezad Lazim.

The finale episode featured legendary performances by Dato Hattan, Adam E, Yonnyboi and Dolla, garnering over 5,000 concurrent views across YouTube, Facebook and Suria App, while the overall programme recorded over 1 million views across all its social media platforms.

In place of the ever popular Jelajah Suria on-ground concert, Suria ran its first ever virtual Konsert Suria Nova Bersama Anda. A collaboration with music label Nova, the virtual concert featured 8 popular artists and was also an initiative to support industry partners and artists during the Covid-19 pandemic.

Following the success of Konsert Suria Nova Bersama Anda, Suria ran other virtual concerts such as the Konsert Akustika Ramadan Suria and Rih Raya Suria in conjunction with Hari Raya and Ramadan.



Malaysian SMEs awarded for their outstanding achievements

The Star Outstanding Business Awards (SOBA) returned to unveil Malaysia's top-performing non-listed companies for an 11th year.

A culmination of a year's worth of various activities and initiatives, the SOBA 2020 Gala Night saw close to 700 guests attending the prestigious awards ceremony.

Marking the achievements of enterprises that have made a difference to the nation's economy by opening new frontiers, the awards programme aims to inspire and steer local, non-listed companies towards greater success by promoting business excellence and stimulating positive competition.

SOBA 2020 is endorsed by the Ministry of International Trade and Industry, supported by Bursa Malaysia and audited by BDO with Dimsum Entertainment, 988 and Suria as official media partners.



FY2020 Highlights (cont'd.)

Perfect Livin^{expo}

Perfect Livin unveils brand new look

Malaysia's largest home and lifestyle expo returned in the wake of the Covid-19 pandemic to treat over 20,000 visitors to exclusive deals.

Perfect Livin Expo unveiled their new logo and introduced new mascots during the fair that was held over two consecutive weekends at the Mid Valley Exhibition Centre.

Perfect's Livin's website was also given a facelift and served as a source of information on the home expo. Content-focused, the website centred on home and lifestyle solutions, tips on home renovation and designs from experts as well as interactive features for users.



The Star Education Fair goes virtual

After 33 years of successful education shows since 1987, the Star Education Fair held its inaugural Star Virtual Education Fair. The three-day Fair saw more than 11,000 visitors accessing hundreds of courses, programmes and scholarships with a click of a mouse and from the comfort of their homes.

The Star Virtual Education Fair was launched after the implementation of the first Movement Control Order (MCO) in March.

Under one virtual roof, this one-stop education event allowed students, school leavers, parents and those interested in furthering their studies to obtain the latest information on education options and future pathways from over 40 local and international higher learning institutions.

Apart from that, there were also live webinars and career guidance talks from varsity representatives that offered their insights on current career topics and selected courses.

The Star Virtual Education Fair was held twice in 2020 while an on-ground fair was held before the first MCO was implemented.



Over
11,000
online visitors





R.AGE's first feature-length documentary hits local screens

The Eye On The Ball feature film made its local cinema debut on 19 March 2020. The rousing gala premiere at TGV 1Utama saw an audience of more than 800 people, with attendees including celebrities, acclaimed filmmakers and famous athletes alike.

On 20 August 2020, Eye On The Ball premiered on Astro First (channel 480) as part of Astro First's exciting line-up for the Merdeka and Malaysia Day season.

The documentary tells the incredible true story of a group of young part-time blind footballers who rose to become Asean Para Games champion and their quest to reach the "World Cup" of blind football.

Presented by R.AGE, Star Media Group and CIMB Foundation, Eye On The Ball hopes to raise support for the blind football community through the film. A portion of the film's proceeds went to the Pan-Disability Football Club, helping the club continue its work of empowering lives through football.

FY2020 Highlights (cont'd.)



Over
500
nominations

Celebrating extraordinary people in extraordinary times

For the sixth year running, the Star Golden Hearts Award reminded us that Malaysia is never short of unsung heroes. Selected from over 500 nominations, ten winners were selected for their genuine acts of kindness and positive impact on society.

The winners represented a wide range of social causes including environmental health and food security, support of vulnerable communities, quality education for schoolchildren and digital inclusion among senior citizens.

Winners of the Star Golden Hearts Award 2020 were PWD Smart FarmAbility, Seven Tea One, Muhammad Nazmi Rosli, IMAM Response and Relief Team - IMARET, Sangga Sinnayah, Kennedy Michael, Bengkel Teknologi Senior, Langur Project Penang, Great Heart Charity Association and Fuze Ecoteer Outdoor Adventures.



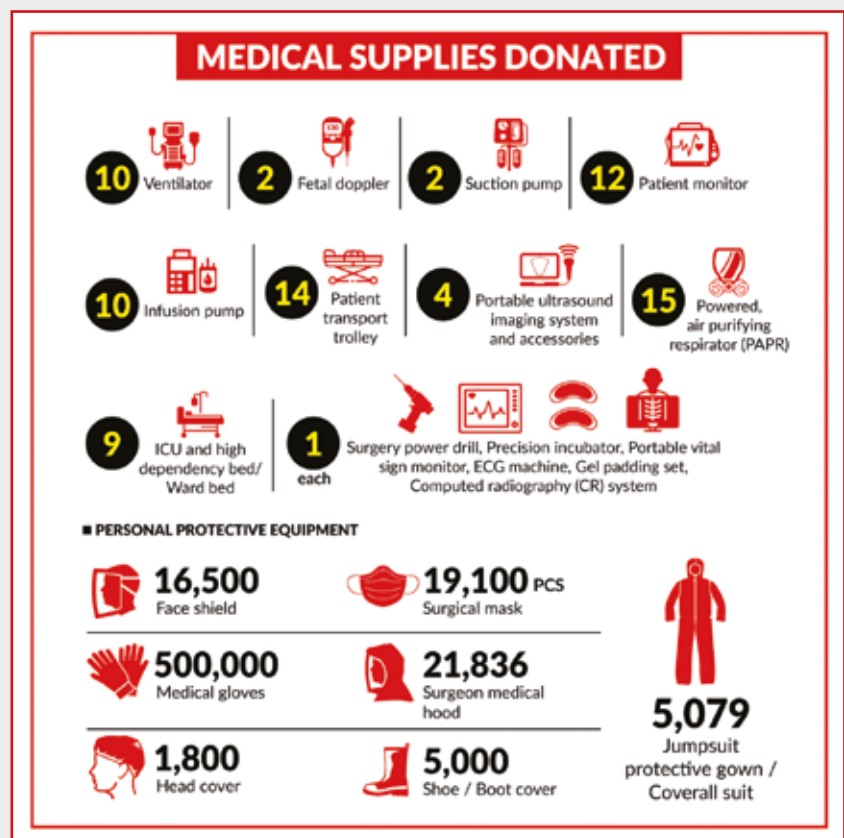
Star Frontliners Initiative

In the battle against the Covid-19 pandemic, our healthcare professionals put their lives at risk on the front lines. In support of our frontliners, Star Media Group and our charitable arm, Star Foundation, ran the Star Frontliners Initiative, rallying the nation to raise funds for the purchase of much-needed medical supplies for hospitals and medical staff nationwide.

The initiative raised over RM2.6 million which were channelled for the purchase of essential medical supplies such as ventilators, ICU beds, ultrasound machines and personal protective equipment which were distributed to 34 hospitals and 15 state health departments.

Star Foundation pledged RM1.0 million to kickstart the initiative.

**RM2.6
million**
worth of medical
supplies donated





#STAND TOGETHER

#StandTogether Kindness Week campaign goes digital

The #StandTogether campaign returned for a fourth year, with a series of online-based experiences including the Kindness Challenge, Kindness Workshops, and Kindness Leaders Programme; all available at www.standtogether.my. The theme for the 2020 campaign was #EmpathyEmpowers as it seeks to reimagine an education system that's founded on empathy and kindness, not just academic achievement.

The public were invited to participate in National Kindness Week by joining the Kindness Challenge, an interactive WhatsApp chatbot which sends daily "Kindness Missions" while students and teachers took part in the Kindness Workshops. The campaign goes further in-depth with the Kindness Leaders Programme, a six to eight-week online fellowship to equip a new generation of students (aged below 21) with empathetic leadership skill. Students who completed the Leadership Programme can then pitch for RM1,000 in grant funding to run kindness projects in their schools.

Since its inception, many organisations have supported the campaign as partners, including Unicef Malaysia, Study Hub Asia, Childline Foundation, Teach For Malaysia, and Digi. 14 celebrity Kindness Ambassadors including Tengku Zatashah, Jenn Chia, Ismail Izzani, Lisa Surihani and more also showed their support for the campaign.

The #StandTogether campaign is recognised by the United Nations and endorsed by the Ministry of Education.



1213 registered for Kindness Leadership Programme

Total of **18** Kindness Workshops with **3119** attendees

870 Kindness Challenge registrants

4 Kindness Leaders Zoom Parties engaging **392** participants



SUSTAINABILITY STATEMENT

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Economic	: Content Creation, Sourcing and Management
Economic	: Economic Performance
Economic	: Procurement Practices
Economic	: Anti-Corruption
Environmental	: Materials
Environmental	: Energy
Environmental	: Effluents and Waste
Social	: Employment
Social	: Occupational Health and Safety
Social	: Diversity and Equal Opportunity
Social	: Community Investment
Social	: Quality Education

Sustainability Statement (cont'd.)

AT A GLANCE

OUR PEOPLE



1,052
Employees

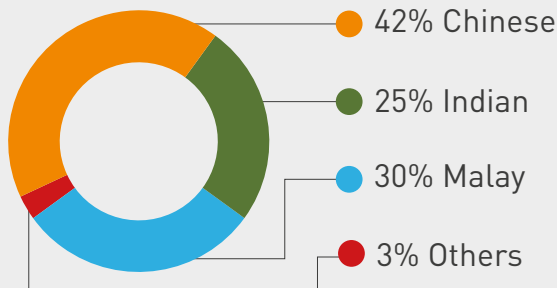


51%
Male



49%
Female

DIVERSITY



50%
women in senior management

OUR COMMUNITY



Provided
RM2.6mil
worth of medical supplies to
medical facilities nationwide



Donated
RM575,000
to 25 Malaysian charities



122
scholarships awarded via Star
Education Fund

OUR PRODUCTS AND SERVICES



100%
of newsprint for The Star is 'FSC'
certified or equivalent



The Star is printed on
100%
recycled newsprint paper



2,729
tonnes total reduction of
CO₂ emissions



38.82%
[2019 vs 2020] reduction in total
waste disposal



3,683,022 kWh
of solar energy generated from the
Rooftop Solar Generation project
since 2014

SUSTAINABLE DEVELOPMENT GOALS

ECONOMIC



ENVIRONMENTAL



SOCIAL



Sustainability Statement (cont'd.)

REPORTING PRACTICE OUR REPORTING APPROACH

ABOUT THIS REPORT

This report has been prepared in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and in reference to the Global Reporting Initiative (GRI) Standards. With guidance from the GRI Standards, the report covers the following key principles:

- Stakeholder inclusiveness – Capturing stakeholders' expectations and concerns;
- Sustainability performance – Presenting key performance indicators within the wider context of sustainability;
- Material matters – Prioritising the key sustainability issues most relevant to our business; and
- Completeness – Reporting on all sustainability topics that are relevant to our Group and in alignment with content requirements.

SCOPE & BOUNDARIES

This report mainly covers 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 companies operating within the digital, video-on-demand, radio, events and exhibitions segments as Star Media Group's focus is to primarily improve on its principal operations before advancing to other areas of the business.

In the coming years, we intend to expand the scope of this report to include the full suite of operations within the Group in order to provide more comprehensive coverage of the Economic, Environmental and Social (EES) matters that are material to our sustainability goals.

References to 'Star Media Group', 'the Company', 'the Group' and 'we' refer to Star Media Group Berhad and its subsidiaries.

REPORTING PERIOD

The Group follows an annual reporting cycle, and the period covered by this report covers the reporting period from 1 January 2020 to 31 December 2020.

OUR SUSTAINABILITY TOPICS

This report contains 11 sustainability topics, which have all been aligned with relevant GRI Standards for topic-level disclosures. This is with the exception of "Content Creation, Sourcing and Management" and "Employment", which we will strategise its alignment moving forward and with each of it deemed as a key topic that is central to our value creation model.

1. Content Creation, Sourcing and Management
2. GRI 201 Economic Performance
3. GRI 204 Procurement Practices
4. GRI 205 Anti-Corruption
5. GRI 301 Materials
6. GRI 302 Energy
7. GRI 306 Effluents and Waste
8. Employment
9. GRI 403 Occupational Health and Safety
10. GRI 405 Diversity and Equal Opportunity
11. GRI 413 Local Communities



Furthermore, the disclosures contained in this report are aligned with the United Nations Sustainable Development Goals (UN SDGs), as noted below:

Economic

1. Content Creation, Sourcing and Management – SDGs 8, 12 and 16
2. Economic Performance – SDG 8
3. Procurement Practices – SDG 12
4. Anti-Corruption – SDG 16

Environment

1. Materials – SDGs 12, 15
2. Energy – SDGs 7, 8, 12, 13
3. Effluents and Waste – SDGs 3, 6, 12

Social

1. Employment – SDGs 1, 4, 5 & 8
2. Occupational Health and Safety – SDGs 3, 8
3. Diversity and Equal Opportunity – SDGs 5 & 8
4. Local Communities – SDGs 1, 4, 8, 10, 11

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

The Group strives to institute sustainability across our supply chain so as to align our strategies towards identifying our business impacts on EES and its primary relevance within the chain. This is to ensure that we stay true in advocating sustainability beyond our organisation and continue to place high emphasis towards embedding more sustainable elements with external parties in our supply chain.

MEMBERSHIPS & ASSOCIATIONS

1. Member of Malaysian Newspaper Publishers Association (MNPA)
2. Member of Asia News Network (ANN)
3. Member of World Association of Newspapers and News Publishers (WAN-IFRA)
4. Member of Malaysian Press Institute (MPI)
5. Member of the Malaysian Retail Chain Association (MRCA)
6. Council member of Communications and Multimedia Content Forum of Malaysia (CMCF)
7. Member of Malaysia Advertisers Association (MAA)
8. Member of Commercial Radio Malaysia (CRM)
9. Member of Malaysian Digital Association (MDA)

AVAILABILITY

This report is made publicly available online via our website - www.starmediagroup.my

EXTERNAL ASSURANCE

In development of our approach towards sustainability reporting, we have maintained an internal assurance methodology for the disclosure of this year's Sustainability Statement. As the Group makes further traction within our sustainability journey, we will firmly consider the adoption of an external assurance for our disclosures in the near future.

FEEDBACK

We welcome your comments, thoughts and remarks, which may be directed to our headquarters.
Level 15, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan.

Tel : +603 -7967 1388

Fax : +603 -7954 6752

Email : investor-relations@thestar.com.my

Sustainability Statement (cont'd.)

A PROGRESSIVELY ROBUST APPROACH TO SUSTAINABILITY

DEAR STAKEHOLDERS,

We are pleased to share with you our fourth Sustainability Statement in line with the Main Market Listing Requirements put forth by Bursa Malaysia and our first Sustainability Statement to be written in reference to the globally recognised GRI Standards, the leading benchmark in sustainability reporting.

In a year that saw an unprecedented upheaval of the global and national economy, the importance of crafting and executing a comprehensive sustainability roadmap was certainly brought to the fore. After all, the company that has a clear grasp of the material matters that drive its sustainability will be best placed to mitigate unexpected threats to its viability.

As a news and media organisation with the capacity to shape the national zeitgeist through our content and platforms, we are cognisant of the fact that sustainability to us extends beyond ethical and environmentally responsible business practices. To us, building a sustainable future also means taking a leading role in providing opportunities for our people and communities to fulfil its potential.

In line with this, we are continually enhancing our efforts across the EES spectrum. Despite challenging circumstances in FY2020, we maintained significant progress in numerous key aspects of our organisation that provide a strong foundation for sustainable value creation. This Sustainability Statement will provide a detailed analysis of our overall approach to sustainability along with the key sustainability material matters towards which we have focused our resources during FY2020.

SHARING ECONOMIC VALUE

Star Media Group is continuously reviewing and improving its strategic direction and initiatives in order to ensure sustainable growth for our core business segments. In ever-changing and challenging economic and business environments, we strive to adopt progressive strategies that ensure we meet the evolving demands of our customers while simultaneously augmenting our revenue streams.

We acknowledge that the total marketplace ecosystem is important to the Group's sustainable growth. By virtue of us being a key player in the many different businesses that we are involved in, the Group's activities continue to have a tangible impact and create value for the many sectors, markets and communities in which we operate.

We are thus committed to engaging in initiatives that will help us to establish and nurture enduring and sustainable ties with our customers, suppliers, industry peers and other stakeholders in the marketplace. Furthermore, we are mindful of the need to maintain and enhance the quality, veracity and relevance of our news and content, given that our role as a national news leader is fundamentally correlated to our ability in achieving our economic goals.

MAKING A SOCIAL IMPACT

The Group has several diversified businesses through which we provide employment opportunities and establish meaningful collaborations with our customers, partners and the communities we operate in, but our social impact is broader than this alone.

As a pillar of society since our founding in 1971, we consider it our responsibility to take leadership positions in the things we do best. When it comes to education for instance, we desire to create initiatives that enhance English language education, train the next generation of journalists, and enable access to learning tools for those in underserved communities.

Furthermore, as one of Malaysia's most respected employers, we are committed to maintaining the highest standards in employment rights, occupational health and safety and workplace diversity. What we do in this regard not only improves the lives of our workforce, but also sets an important example within our local communities and our home country.

As such, the manner in which we give back to society goes beyond pure philanthropy. We are here for good, and we intend to do good while we are at it too.

OPERATING WITH AN ENVIRONMENTAL CONSCIENCE

In operating our businesses, we are, at all times mindful about sustainability from an environmental perspective and fully committed towards complying with all applicable environmental laws and regulations.

As part of our transformative efforts to protect the environment and minimise our carbon footprint, we have placed special emphasis on ensuring the efficient use of energy, adopting green energy policies and achieving best practices in sustainable waste management.

Our rooftop solar facility continues to be a symbol of our commitment towards sustainable green energy, while initiatives led by our Energy Management Team have helped us to optimally reduce our energy consumption. At the same time, we continue to advocate for the highest green and ethical standards from our material suppliers to reduce the carbon footprint of our printing activities.

IN CONCLUSION

In FY2020, we were delighted to be a new entrant to the FTSE4Good Bursa Malaysia Index (F4GBM). This is a reflection that our steadfast commitment to sustainability is being recognised at a national level and indicates that our work in this area will be held to account by investors and our stakeholders at large. While we have made positive strides forward throughout FY2020, we remain purposeful in setting forth a sustainability agenda that will expand and grow in tandem with our ambitions. Our shift to reporting with principal reference to the GRI Standards represents our commitment towards consistently enriching our sustainability roadmap while providing our stakeholders with a deeper understanding of the material matters pertinent to our long-term success.

Recognising the turbulent and ever-evolving media industry landscape kindled by the effects from the Covid-19 pandemic, we remained vigilant and determined in building on our robust approach towards sustainability. As we move forward into a new normal, the Group aspires to achieve further success in bringing positive impact to our stakeholders under all our sustainability matters. With that, this report aims to be informative and to deliver an objective and balanced view of our position and performance on the identified material matters for the year.

Sustainability Statement (cont'd.)

SUSTAINABILITY GOVERNANCE OUR SUSTAINABILITY GOVERNANCE STRUCTURE



Our sustainability directives stem from the head of our organisation, with the Board of Directors ("Board") setting the tone and maintaining responsibility for our overall business conduct. The Board works closely with key members of our management, empowering them to spearhead specific issues pertinent to the delivery of long-term value.

Our Group Chief Executive Officer ("GCEO") manages and monitors sustainability-related matters within our organisation. This role includes reviewing and deliberating on sustainability issues and assessing risks which may impact our operations' EES sustainability as well as reporting on our sustainability performance to the Board. In overall, this responsibility is to support the Board in ensuring that all sustainability initiatives are implemented effectively and responsibly.

During FY2020, Star Media Group has taken its first steps towards an implementation of a Group Sustainability Roadmap, through the setting up of a Steering Committee, Working Group and Project Management Office ("PMO"). The setup combines the involvement and participation of key departments whose operations/scope have direct implications on the Group's sustainability performance. As part of our sustainability governance structure, this format is to provide the necessary support to our Board and top management while ensuring that we have dedicated the right and committed resource in aiding the Group throughout its sustainability journey.

Furthermore, as the Group's roadmap to sustainability continues to evolve, we endeavour to align existing key risk indicators ("KRI") with our sustainability material matters to present a more integrated and holistic view of our sustainability approach.

We hope to share further details of the aforesaid structure and framework in the next report.

CODE OF CONDUCT AND ETHICS

The Group has put in place a Code of Conduct and Ethics ("Code") for top management and employees that reflects our core values and culture. The Code sets forth the relevant guidelines in dealing with employees, customers and business associates, and sets out guidelines for conduct and ethics in the context of work environments, company assets, conflicts of interest and other such matters. The relevant policies guiding the practices and governance stipulated are in place and are updated whenever necessary to ensure they remain relevant to the Group's processes and in compliance with all relevant regulations.

WHISTLEBLOWING POLICY

In line with our efforts in conducting our operations in a responsible and transparent manner, the Group's Whistleblowing Policy provides a fair and objective platform for all parties to disclose any improper conduct while establishing the necessary procedures in handling such circumstances impartially.

In summary, all such concerns and communications made in good faith that discloses information that may evidence unethical activity are addressed to either the Head of Internal Audit or Chairman of the Audit Committee if the concerns cannot be resolved through the normal reporting lines and procedures. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation, as part of our on-going commitment to encourage such form of reporting.

Our full Whistleblowing Policy is available on the Star Media Group website at starmediagroup.my

ANTI-BRIBERY & CORRUPTION POLICY

The Board takes cognisance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into force on 1 June 2020, and acknowledges the importance of lawful and ethical behaviour in all its business activities. To further expand on our approach in establishing good governance, this policy is maintained to stipulate key measures and guided points for the Group to manage and address any risk or circumstances pertaining to bribery and corruption. Similarly, the policy which was developed in full compliance of all applicable laws and regulations, highly reflects on Star Media Group's zero-tolerance stance against all forms of bribery and corruption in all circumstances.

Our full Anti-Corruption Policy is available on the Star Media Group website at starmediagroup.my



Sustainability Statement (cont'd.)

STAKEHOLDER ENGAGEMENT EMPOWERING STAKEHOLDER INTERESTS

The voice of our stakeholders plays an integral role in our sustainability journey. As such, we concertedlly engage with stakeholder groups to better understand their areas of interest and any concerns in relation to our business. Through our feedback channels and collaborative platforms, we are able to identify the material matters that are most pertinent to our stakeholders and craft our sustainability initiatives in alignment with these action areas.

Moving forward, the Group intends to implement a more structured approach towards stakeholder engagement, involving both internal and external stakeholders, in order to facilitate better outcomes.

Stakeholder	Engagement platforms	Frequency/ Status	Key interests	How Star Media Group addresses
Shareholders/ Analysts	<ul style="list-style-type: none"> Regular shareholder communications/ announcements on Bursa Malaysia including quarterly financial results Updates on Star Media Group's corporate website Annual General Meetings/ Extraordinary General Meetings Analyst briefings Periodic engagements with equity analysts and fund managers Annual Report and Circular/ Statement to shareholders On-site visits to HQ, radio stations and printing plant 	<ul style="list-style-type: none"> Ongoing Ongoing Annual Periodic Periodic Annual Annual 	<ul style="list-style-type: none"> Group's business direction Key corporate developments 	<ul style="list-style-type: none"> Quarterly and annual statement briefings On-demand response to inquiries and meeting requests
Government/ Regulators and Policy Makers	<ul style="list-style-type: none"> Virtual meetings and case studies On-site visits to HQ, radio stations and printing plant Attendance/participation in the Group's events 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> Regulation and compliance Strong relationships Public-private partnerships 	<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/dinners Product presentations On-demand requests On-site visit to HQ and printing plant 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing 	<ul style="list-style-type: none"> Business direction Procurement Knowledge sharing Safety procedures 	<ul style="list-style-type: none"> Data-driven solutioning Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety'

Stakeholder	Engagement platforms	Frequency/ Status	Key interests	How Star Media Group addresses
Customers (Consumer)	<ul style="list-style-type: none"> Qualitative and quantitative market research participation Feedback sessions during events and exhibitions Customer Service channels (Email and call centre) Social media (Facebook, Instagram, LinkedIn, Twitter) 	<ul style="list-style-type: none"> Periodic Ongoing Ongoing Ongoing 	<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 processes Refreshed editorial system Responsive editorial direction
Suppliers and Industry Peers/ Partners	<ul style="list-style-type: none"> Virtual meetings Network gatherings Product presentations Participation in exhibitions 	<ul style="list-style-type: none"> At least once a year At least once a year At least twice a year Ad hoc 	<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 Material Topics 'Procurement Practices' and 'Occupational Health and Safety'
Employees	<ul style="list-style-type: none"> Regular communications via email blasts and monthly newsletter Townhall Union meetings 	<ul style="list-style-type: none"> Ongoing At least twice 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 Material Topic 'Occupational Health and Safety'
Local Communities	<ul style="list-style-type: none"> Site visits to NGOs Community-focused initiatives organised by the Group Sponsorships/donations 	<ul style="list-style-type: none"> 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 Material Topic 'Local Community'

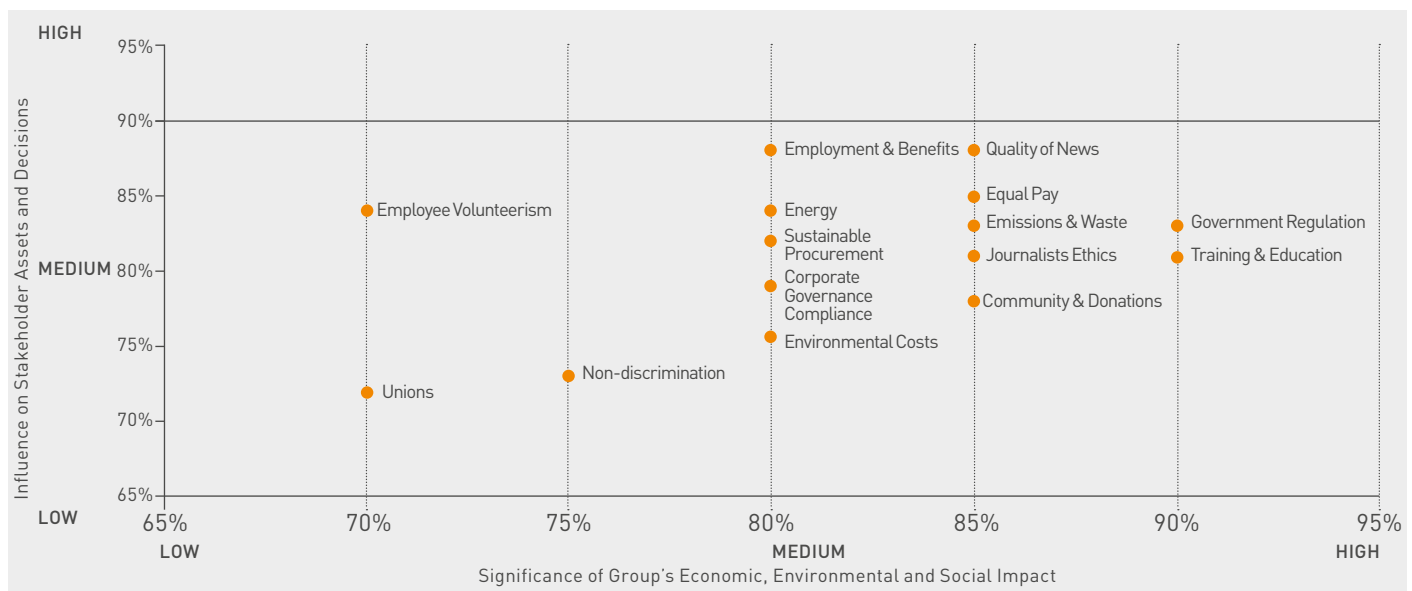
Sustainability Statement (cont'd.)

MATERIALITY MATRIX MAPPING OUR SUSTAINABILITY TOPICS

Star Media Group performed a general review on the Materiality Matrix for the current reporting period by taking into consideration developments of each key sustainability matter from the perspectives of stakeholders' concern and impact to its operations. The exercise was conducted based on the materiality matrix methodology outlined by the GRI Standards framework and leverages on the assessment carried out in FY2019. This is to ensure that the key sustainability matters as identified prior remained primary to Star Media Group, alongside the consideration of any additional disclosures which may be of priority during the current year.

A cross-analysis exercise was then conducted to develop the following matrix, mapping the sustainability matters against each topic's significance to stakeholders and its EES impact to the Group respectively.

MATERIALITY MATRIX



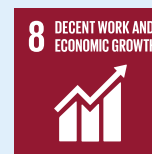
OUR SUSTAINABILITY TOPICS AND THEIR RELEVANT GRI TOPIC-LEVEL STANDARDS

Category	GRI Standards	Topic
Economic	-	Content Creation, Sourcing and Management
	GRI 201	Economic Performance
	GRI 204	Procurement Practices
	GRI 205	Anti-Corruption
Environment	GRI 301	Materials
	GRI 302	Energy
	GRI 306	Effluents and Waste
Social	-	Employment
	GRI 403	Occupational Health and Safety
	GRI 405	Diversity & Equal Opportunity
	GRI 416	Local Communities

SUSTAINABILITY TOPICS

CONTENT CREATION, SOURCING AND MANAGEMENT

PRESERVING OUR FIDELITY AS A MASS MEDIUM



WHY IT MATTERS

As a media company that purveys the preferred source of English news for Malaysians, content creation forms the foundation of our business. Consequently, the level of trust that our customers place in the veracity of our content continues to play a crucial role in driving our sustainability as a news leader. We therefore acknowledge the duty that rests upon our shoulders to ensure the content we produce and publish is accurate, credible and truthful. In sustaining our responsibility as a trusted news source, we must also continue to maintain our relevance, protect freedom of expression, provide greater accessibility to our content and maintain high standards of journalistic integrity.

OUR APPROACH

Governance and guidelines for content teams

Well-managed, empowered and motivated content teams represent the backbone of our sustainability in content creation. Strict and clear guidelines and standard operating procedures (“SOPs”) are provided to the content teams to support their delivery of accurate and credible news and content, including:

- Guidelines on house style, columnist and contributor selection and remuneration
- Adherence to core journalistic principles of double (or more) verification, fact-checking and the right of response
- At least two layers of copy-clearing and scrutiny before a piece is published, whether online or in print
- A senior team dedicated to the approval and extra vetting of sensitive stories
- Consultation with either the internal legal team or a retainer law firm for potential defamation lawsuits with relevant stories

The aforesaid are also complemented by our guided measures based on journalistic principles (protection of sources, not naming suspects in crime reports, etc.) and laws of the land (Child Act, etc.), along with constant consultation with civil society on potentially offensive terms and phrases.

Likewise, as outlined above, the numerous layers of scrutiny are in place to ensure high content quality while our tech team adopts best practices in providing accessibility for audiences that are differently-abled. With such guidelines, our operations function under a robust governance structure, whereby all decisions are made by the Content Department, or at times senior management, and executed by the Editorial Administrator.

Priority to gathering feedback

Relevance is key to the sustainability of any media outlet and feedback plays a crucial role in keeping our fingers on the pulse of society. Our teams utilise various avenues and platforms to obtain valuable feedback from readers, viewers and followers in order to adapt and improve on content direction or delivery. These channels include letters to the editor, social media, email, panel discussions, forums, conferences, market research and direct feedback during roadshows. Content issues are handled by the relevant desk head, while dedicated customer support channels attend to technical or other issues via phone or email.

Role of the Content Management Committee (“CMC”)

A fair and transparent content sourcing practice helps us maintain high levels of quality and reliability on our content channels. A Content Management Committee is thus tasked to oversee the responsible purchase of content for Dimsum Entertainment (i.e., video-on-demand offering) in accordance with our guidelines and policies. The CMC consists of Dimsum Entertainment’s content team and Chief Marketing Officer. Content is sourced by identifying global and regional trends, which are then adapted locally to meet the suitability and preferences of the local market.

Sustainability Statement (cont'd.)

ECONOMIC PERFORMANCE

SUSTAINABLE PROFITABILITY THROUGH QUALITY, DIVERSIFICATION & DIGITALISATION



WHY IT MATTERS

As a leading national media company, our primary role of keeping people informed and inspired through the quality of our content and services is intrinsically integrated with our charge to deliver sustainable profitability and growth to our stakeholders. We must therefore remain cognisant towards a variety of internal and external factors, such as operational, technological, social and marketplace developments, that may necessitate new strategic policies or impact our ability to create economic value in a robust and sustainable manner.

Our mission to enhance revenue streams via a multi-channel strategy is already bearing fruit with meaningful contributions from new income channels towards the Group's revenue in 2020. In order to drive value creation even further, especially in light of the turbulent media industry landscape, Star Media Group will maintain this process of enhancing sustainability via digital transformation, revenue diversification and the preservation of our unrivalled quality and credibility.

OUR APPROACH

Stringent overview of operational and financial performance

A comprehensive operational and financial review and oversight process is the cornerstone of any truly sustainable organisation. At Star Media Group, management reports are reviewed by the Group Chief Financial Officer ("GCFO") and submitted for review to the Board on a monthly basis. Quarterly Audit Committee & Board meetings provide an essential platform for the discussion and deliberation of key operational and financial related matters in a timely and efficient manner.

Strategic KPIs to monitor performance

Strict monitoring of our Key Performance Indicators ("KPIs") and regular reviews of our strategic performance help us stay on track in meeting objectives in our sustainability agenda, while allowing for adjustments to be made pre-emptively or as deemed necessary.

Overview of strategic and operational KPIs, but not limited to:

Print & Digital business	<ul style="list-style-type: none"> - Circulation volume of our print version and ePaper - Comparison of monthly revenue against budget - Monthly pageviews and unique visitors to our digital portals
Radio business	<ul style="list-style-type: none"> - Comparison of monthly revenue against budget - Ranking of our radio stations amongst all other Malaysian stations - Listenership growth in Sweep 1 and 2 every year

Continual assessment of the quality and delivery of our products and services

The better our grasp of the 'vox populi', the better able we are to meet the evolving needs of customers and ensure the sustainability of our products and services. To keep our pulse on the relevance and quality of our offerings, we conduct regular surveys with our subscribers and customers on content preferences, their likelihood to subscribe and feedback on the pricing of our packages. On a day-to-day basis, we engage with customers via social media platforms, call centres and emails to address any issues. Other forms of engagement include addressing promotional messages, subscription matters and feedback from customers. In line with our roadmap objectives, we are exploring the setting up of a live chat service in the near future.

Tapping on technology advancement and digital transformation

Despite the challenging market environment, the Group has continued to progress with its digital transformation initiatives to improve its costs and operational efficiencies. In March 2020, TheStar.com.my launched its paywall as part of the Group's monetisation strategies to diversify revenue streams. We have also launched a number of new digital products and platforms, which include TheStarMall, BeliLokal and our Suria mobile application, to provide greater value-added services to our audiences.

Besides leveraging upon the continuous growth of our database, we have also incorporated additional functionalities into our products and services, such as premium access content, newsletters and special features. The additional digital avenues and channels generated from these product extension activities puts the Group in an ideal position to fulfil the increasing demand from our clients for unique and customisable digital advertising solutions. Furthermore, our approach to embracing technology has also equipped us in navigating the restrictions during the Covid-19 pandemic, in which the Group managed to plan and execute a number of virtual fairs and virtual experiences in place of our regular physical events.

Bridging technological skill gaps to enable digital transformation

A future-ready workforce will play a significant role in ensuring long-term sustainability by enabling successful digital applications of our products and series. The Group has therefore prioritised the development and technological upskilling of its human resources by identifying the deficiencies between their existing skills and the required skills for optimal performance. These skill gaps are remedied through a variety of methods, including self-learning training courses and classroom-oriented programs, both physical and virtual.

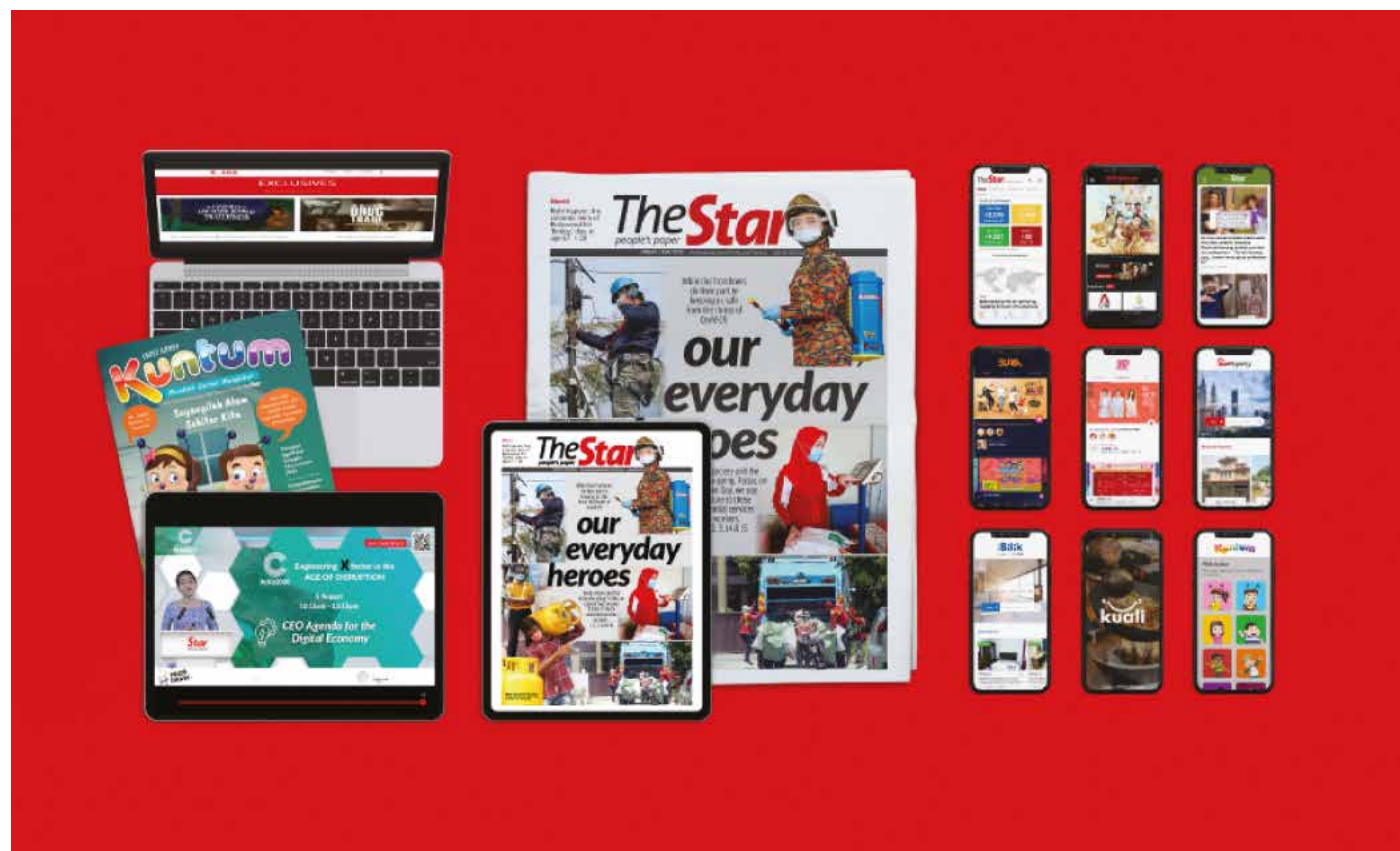
Measures to mitigate against the impact of Covid-19

The Covid-19 pandemic indirectly impugned Star Media Group's functional sustainability as social distancing and 'stay-at-home' directives impacted our day-to-day office and logistical operations. The Group has thus embarked on various cost control measures along with business restructuring efforts for certain units within the Group to re-strategise operations, placing emphasis upon manpower rationalisation and realignments to address regulations necessitated by the pandemic.

OUR PERFORMANCE

The Group's revenue for the financial year ended 31 December 2020 was RM196.42 million, a decline of 37.8% from RM315.93 million a year ago.

The Group recorded a loss after tax of RM19.79 million in FY2020 as compared to a profit after tax of RM5.72 million in FY2019. For further details, kindly refer to the economic performance of the Group in the Financial Highlights section of this report.



Sustainability Statement (cont'd.)

PROCUREMENT PRACTICES

DRIVING SUSTAINABILITY BY SUPPORTING THE LOCAL ECOSYSTEM



WHY IT MATTERS

Apart from reflecting our socially conscious ethos, we appreciate the importance of supporting local suppliers as a key strategy towards ensuring a sustainable supply chain, creating long-term goodwill amongst the local community and sustaining the economic ecosystem within which we operate. Our approach towards this topic is meaningful as we engage a significant number of suppliers in the course of doing business, from the purchase of raw materials to the production of marketing collaterals and the enlisting of consultancy services, amongst others.

In line with our definition of a local vendor being one whose business and manufacturing operations are based in Malaysia, we are proud to report that a significant majority of our suppliers are indeed local vendors. International suppliers have only been engaged when the required availability and capability could not be procured locally. Moving forward, we aim to continue the prioritisation of local businesses in our procurement policies while ensuring that appointed suppliers uphold and maintain high standards of quality and sustainability in the products and services they provide to the Group.

OUR APPROACH

The Group is guided by our comprehensive Procurement Policy, which sets the parameters for our ethical and transformative practices such as those outlined below.

Appointment of responsible suppliers

Suppliers who undertake business activities in a responsible and environmentally conscious manner possess a stronger likelihood of providing high quality products and services, thus providing the foundation for a long-term and sustainable business relationship.

The Group engages suppliers for numerous purposes, such as providing printing materials, delivering off-line events and promoting our digital market presence, amongst others. Wherever possible, we ensure our material suppliers engage in sustainable and environmentally responsible business practices and possess recognised international certifications.

- Newsprint supplies – Our newsprint supplies are exclusively sourced from sustainably-managed forests and from environmentally responsible mills. We ensure all mills are Forest Stewardship Council (FSC) certified (or equivalently accredited) and obtain their raw materials from well-managed forests or sustainable sources.
- Printing ink suppliers – We ensure that our printing ink suppliers are ISO14001 certified, which indicates that the organisation has incorporated mechanisms to reduce the environmental impact of its ink production.

Digitalisation of procurement processes

In staying abreast of technological trends in line with the Group's technology advancement initiative, we introduced the procurement automation system in 2018 to simplify and digitalise our procurement processes. The stage by stage implementation was completed with 100% adoption by the whole Group in 2020, where applicable.

The procurement automation system allows for paperless procurement procedures and provides online access to relevant procurement information for specific departments, the Group's Procurement Department as well as for relevant company subsidiaries. When remote working and on-boarding became a necessity in light of the Covid-19 pandemic, the procurement automation system proved to be an important tool in adapting to remote work and increasing overall procurement efficiency.

Decentralised and transparent procurement

Our procurement is decentralised with specialised guidelines and workflow charts established to enhance the efficiency of requisition requests initiated from departments. The Procurement Department facilitates the process and maintains visibility on overall procurement activities through the procurement automation system.

The process of sourcing suppliers may be initiated through the request for quotations (RFQ) exercise as well as open tender procedures (for large projects). To ease and support the procurement process, the team maintains a catalogue of suppliers that have been approved by the Group. The Group believes that this transparent and collaborative procurement policy will have a positive long-term impact towards efficiency and high-performance, both of which are key pillars in influencing a sustainable future.

Review, assess and enhance

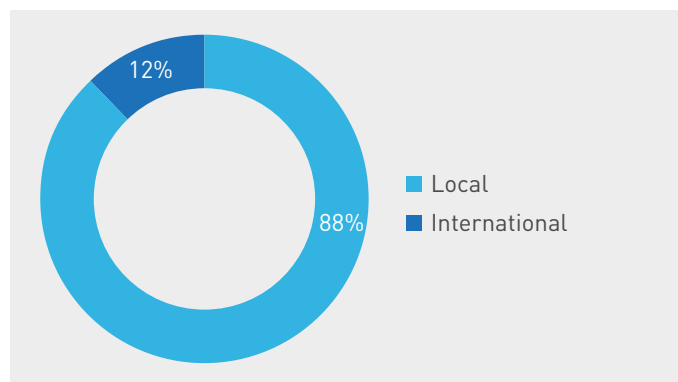
Our supplier-buyer relationships are regularly reviewed and improved upon to adhere with key best practices, while procurement practices are also reviewed during meetings that are periodically conducted at the Group's HQ. This ensures our policies remain responsive to external and internal stimuli, and ensures our suppliers continue to conduct the provision of products and services in a manner that is responsible and sustainable.

Assessment of suppliers' performance are carried out periodically by the Procurement Department, with active suppliers being assessed every six months and strategic and/or critical suppliers being subject to an internal quarterly review process. The assessment and evaluation process currently focus on major vendors who supply essential materials such as newsprint and ink.

OUR PERFORMANCE

Based on the procurement performance in FY2020, we are pleased to report that a total of 88% (441) of our 502 active vendors are local suppliers, with the remaining 61 vendors sourced from overseas.

Breakdown of Suppliers Sourced



ANTI-CORRUPTION

LEADING A ZERO-TOLERANCE STANCE AGAINST ACTS OF BRIBERY AND CORRUPTION



WHY IT MATTERS

Star Media Group's approach to robust governance recognises the importance of maintaining a highly principled and transparent approach in undertaking all of our business activities. Instances of corruption or acts of bribery may seriously undermine our credibility as a leader within the media industry and influence our ability to maintain long-term relationships with our trusted stakeholders.

We therefore maintain a zero-tolerance stance against any acts of bribery or corruption and stringently advocate a high level of ethical business conduct. Any in compliance with our regulations is earnestly investigated by the Group, with stern actions taken without leniency against offenders. Given our exposure as a public news entity, we are especially cognisant of our duty and responsibility to be a role model in such matters.

OUR APPROACH

The crux of our approach towards anti-corruption revolves around our Anti-Corruption Policy, which was developed in line with government requirements and industry-specific conditions.

Policy communication

Star Media Group ensures that our Anti-Corruption Policy is effectively communicated, both as our declaration to the public as well as to employees so that they may uphold the necessary standards. To this end, the policy is published on our corporate website as our publicly accessible declaration while a brief statement of the said policy is placed at strategic areas around the Group's premises for internal reference. Further to this, the policy is also constantly subjected to review and updates, where necessary, in line with changes of regulatory requirements and/or developments to our business approach or market. This is to ensure that this overarching framework remains intact and adequate for us to navigate our business environment.

Sustainability Statement (cont'd.)

Training and awareness

Trainings on the stipulated anti-corruption policy and measures are regularly conducted by the Group to ensure awareness and compliance. For FY2020, due to limitations imposed by protocols undertaken to curb Covid-19, virtual online trainings were provided to employees with access to online platforms (such as email, etc.). With priority placed at focusing our efforts on training our key employees, selection of employees for such trainings was made based on a risk assessment by the job function and nature of work of our employees.

The assessment which is to identify job scopes that are more exposed to the risk of bribery and corruption, was carried out by liaising collectively with relevant department heads. Employees who have completed the training were then required to acknowledge a declaration form which is managed and monitored by our Group People Department.

Other safeguards

Specific safeguards have also been put into place as precautionary measures when securing any formal engagement between the Group and other third parties. This includes the attachment of specific clauses on safeguarding the Group's corporate liability on matters surrounding bribery and corruption in all contracts with such parties, such as suppliers and vendors. Besides this, such parties are also communicated on the commitments of our Anti-Corruption Policy.

In addition, the Group's whistleblowing policy and procedures were also advocated to provide a secure means of communication for any issues pertaining to this improper conduct. Similarly, during FY2020, briefing on the Group's Whistleblowing Policy was also carried out for employees alongside the Anti-Corruption training, to update those who are already aware of the policy and educate any new employees.

OUR PERFORMANCE

Despite restrictions that prevented the Group from conducting trainings for our entire workforce on our Anti-Corruption Policy and relevant measures, we nevertheless managed to focus and educate a significant proportion of our staff in our approach. Moving forward, the Group aims for all our employees to complete the necessary Anti-Corruption trainings and pledge declaration.

MATERIALS

RESPONSIBLE USAGE OF RAW PRINTING MATERIALS



WHY IT MATTERS

As Malaysia's leading English daily, a significant print run of The Star newspaper is undertaken each and every day. Thus, the Group remains mindful of the impact that our printing processes may potentially have on the environment and have put stringent policies in place to guide our procurement of raw materials. Our eco-conscious approach towards material sourcing and full compliance towards all applicable environmental laws and regulations play a crucial role in ensuring the sustainability of our relationships with suppliers, government regulators as well as the public at large, as we set a guiding example in our role as industry leaders.

OUR APPROACH

Under the purview of the Print Production and Print Admin Department, the following key measures and guidelines have been put in place to monitor and manage responsible raw material utilisation.

Printing on 100% recycled newsprint paper

The Star newspaper continues to be printed on 100% recycled newsprint paper, meeting the ISO 12647-3 requirements for best print results. This ISO 12647 which governs graphic technology standards, with its subdivision 3 – Coldset Offset (Newspaper Production), pertains to guidelines specific to our processes, ensuring that we maintain the necessary qualities in our printing process and we uphold the use of recycled sources of material.

In line with this approach, our Print Admin also performed a measurement of the LAB value of the newsprint during the testing period. This additional measure is to ascertain that the paper characteristics meet the standards set by WAN-IFRA.

Minimising press run wastage

The Print Production department maintains a close working relationship with newsprint manufacturers to procure the most efficient products in order to minimise press run wastage. Annual KPIs on waste are set and then used to measure annual performance. Such engagement is to provide timely and key feedback to these suppliers whenever a pertinent issue is to be addressed. In the event of newsprint quality issues that are deemed severe and to have caused downtime or affected print quality, the Production Department will escalate the complaint to the Procurement Department for them to raise and address the matter with the manufacturer in question. All these are to ensure that efficiency of resource utilisation is maintained and wastage is kept to the utmost minimal.

Usage of eco-friendly ink

The Group sources ink from responsible manufacturers that are in stringent compliance with the ISO 2846-2 standard. The standard specifies the colour and transparency to be produced by inks intended for four-colour coldset web offset printing when printed under specified conditions on a printability tester. It also describes the test method to ensure conformance and quality in line with our strict requirement. Additionally, we do keep in touch with ink suppliers to stay abreast on the latest formulations that could prove to be more cost effective or environmentally friendly.

Monitoring the efficiency of raw material utilisation

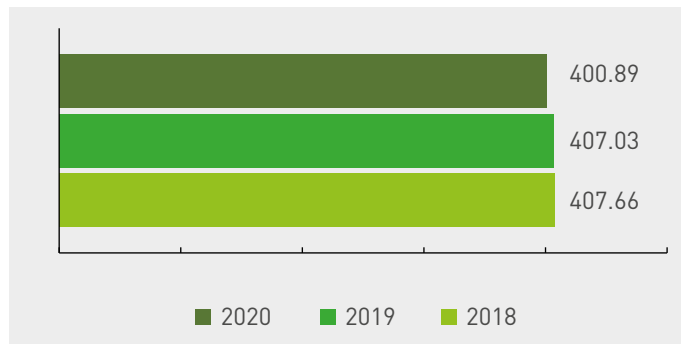
Raw materials such as recycled newsprint are tracked and monitored based on quantity input into production, output (end-product) generated, and any waste or defects produced during the production process. Where the potential for additional efficiency is identified, measures are undertaken to enhance our policies and processes to enhance sustainability. This is exemplified with our move to 42gsm newsprint in 2016, which significantly increased our yield per kilogram.

Sustainability Statement (cont'd.)

OUR PERFORMANCE

With regards to our performance on material utilisation, we recorded a newsprint yield of 400.89 pages/kg for FY2020. For a representation of our three years' performance, please refer to the chart below:

NEWSPRINT YIELD 2018 - 2020 (PAGES PER KG)



Percentage of newspapers printed on recycled newsprint

100%

ENERGY

REDUCING CONSUMPTION, ENHANCING PRODUCTION



WHY IT MATTERS

Energy efficiency and the use of renewable energy sources continues to play a significant role in the sustainability framework of Star Media Group. Although our use of electricity is significant, given our daily newspaper print runs and large offices, we are pleased to be a net energy producer via our innovative rooftop solar generation project that was launched in 2014. Our pioneering and mindful approach to responsible energy consumption and management supports our sustainability goals not merely by having a positive impact on the environment and communities in which we operate, but also via the creation of an alternative and reliable revenue stream for the Group.

OUR APPROACH

Our rooftop solar generation project

Led by the Facilities Department (with a solar chargeman assigned to manage and monitor the system), our 500kWh rooftop solar plant is a beacon of our commitment towards energy sustainability. Energy generated by the solar generation project is sold back to the grid (i.e. to TNB) entirely at 100% of the market energy rate. This undertaking was one of our key measures in ensuring that we fully advocate and support such renewable energy source initiatives, pioneering a major step forward in sustainability within our industry and beyond.

General energy efficient initiatives

In addition to this, we also endeavour to optimise our energy consumption. Among the holistic energy initiatives undertaken by the Group throughout the reporting year, are:

- Upgrading of traditional fluorescent tube lighting to LED lighting – a total of 33 street lighting (i.e. lamp posts) within the compound of our production plant at Star Media Hub were replaced with LED bulbs in FY2020.
- The use of energy efficient devices, such as inverted air-conditioner models, to replace beyond-repair units.
- The posting of notices at strategic locations to promote energy savings within our offices and premises.

Energy monitoring and management

Leading our ambition to utilise energy efficiently, the Group also developed a dedicated Energy Management Team. The team is tasked with monitoring and assessing the Group's energy utilisation and recommend additional energy conservation initiatives where applicable. From their role, the following initiatives were undertaken in FY2020, among others:

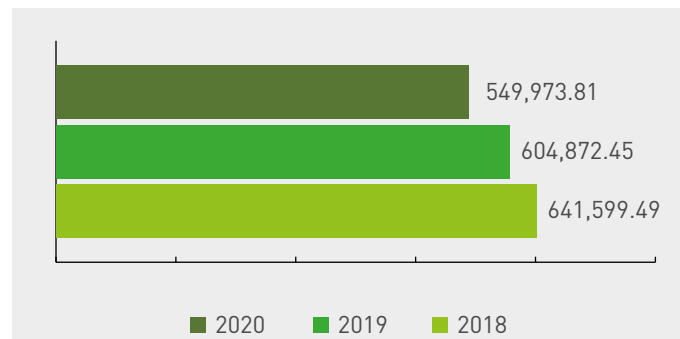
- Operating hours for air compressors were revised to a shorter period (from 2pm to 2am). This has resulted in average savings of 7,230 kWh/month since July 2020.
- We upgraded our chiller system to a more energy-efficient unit as well as instituting a change to its operating hours, which now runs from 5pm to 2am. This resulted in average savings of 33,200 kWh/month since its implementation in April 2020.

Besides, this Energy Management Team is also supported by the Facilities Department (for Star Media Hub) and the Building and Property Services Team (for Menara Star). These departments/teams are responsible for monitoring and managing overall energy consumption and conservation initiatives at each designated location as well as aligning its efforts with coordinators from various sections of our operations.

OUR PERFORMANCE

From our efforts in ensuring efficient energy consumption, the Group managed to achieve the following key performance. Moving forward, we will continue to monitor our electricity consumption in a periodic manner as well as to oversee our energy savings in a broader manner from all key energy conservation initiatives.

Solar Yield 2018-2020 (RM)



Solar initiatives
gross revenue

RM
549,973.81

Total reduction
of CO₂ emission
from TNB Grid
system

345.01
tonnes

Total kWh
Solar energy
generated

465,606
kWh

Total energy
saved from
energy
conservation
initiatives

40,430
kWh/month
(Average)

Sustainability Statement (cont'd.)

EFFLUENTS AND WASTE

ADOPTING PROACTIVE WASTE MANAGEMENT STRATEGIES FOR ENVIRONMENTAL SUSTAINABILITY



WHY IT MATTERS

Paper is one of our core mediums of communication, and it is our responsibility to ensure that printing does not lead to a major source of waste. As approaches to mitigate waste from printing plants have improved, we have developed strategies that promote energy efficiency, green energy and sustainable waste management across our operations, generating the twin outcomes of reducing the amount of waste we produce as a result of our business activities, and minimising the environmental impact of the waste that we do produce. The practices we have put in place reflect our commitment to sustainability from an environmental perspective.

OUR APPROACH

Ensuring compliance with all environmental laws and regulations

Managing waste and effluents starts by complying with all applicable environmental laws and regulations. Our commitment to environmental compliance can be seen in the formation of our Environment Performance Monitoring Committee (EPMC), whose responsibilities include managing all matters relating to waste within our operations. The EPMC (which meets on a quarterly basis or as and when required) and its supporting roles are established in compliance with the latest Guidelines for Self-Regulation as mandated by the Department of Environment (DOE). The structure established enables the Group to have a common point of support to ensure that we constantly stay abreast of the latest requirements and initiate actions in a timely and effective manner.

Proficient waste management practice

For scheduled waste, we have a designated person who is tasked to manage and oversee the extraction, safekeeping and disposal of such waste. Proper scheduled waste storing and monitoring practices are in place within the Group in line with the reporting process which is performed via DOE's Electronic Scheduled Waste Information System (ESWIS). In general, such wastes are kept in covered containers, labelled and stored in access-restricted areas to safeguard from any potential spillage, misappropriation or unauthorised access.

Accordingly, all our scheduled waste is collected, stored and disposed of by contractors licensed by the DOE as per the requirements of the Environment Act. All waste is disposed of within 180 days from when the scheduled waste is first generated. As for our general waste, it is disposed by licensed and experienced contractors in line with accepted best practices in waste management.

Adopting recycling practices across the organisation

Wherever possible, we always opt to send our waste for recycling. For our production plants, recyclable waste generated from the printing process such as printing plates, press spoilage, newsprint brown wrappers or side covers, end cores, paper stripping and test run spoilage are disposed to designated recycling vendors/centres. Based on our stipulated procedures, all recyclable products are segregated and stored separately with its quantities measured in weight. Upon collection of such wastes by licensed recycling contractors, the items will be weighed again for monitoring purposes prior to subsequent removal from the company's premises.

Besides this, we also encourage any other means of reusing items which would otherwise have been disposed of as waste. This is exemplified at our printing plant whereby cloths which have been tainted with ink or chemicals are collected and sent to an appointed contractor for cleaning. It is then subsequently returned and re-used by the production team at the printing plant. Such efforts showcase our constant willingness to consider and adopt any new or alternative means of reusing or repurposing a potential waste product.

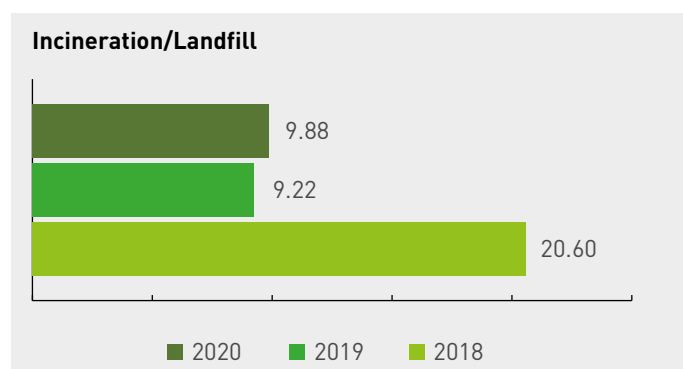
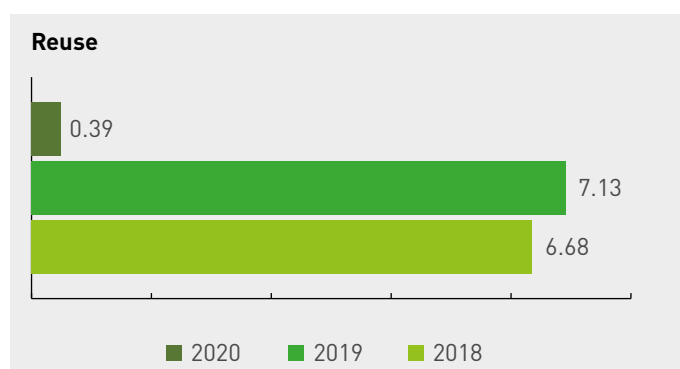
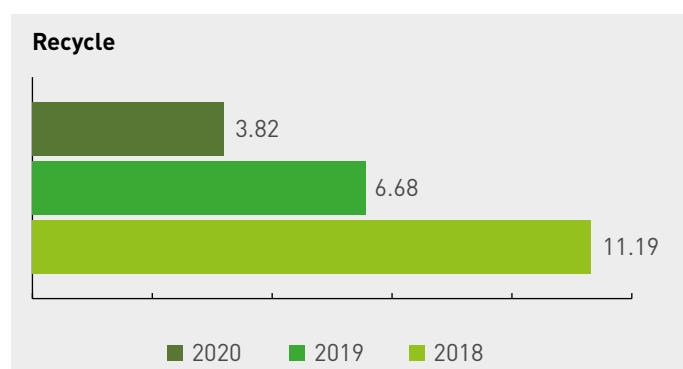
OUR PERFORMANCE

For the current reporting period, our performance in managing waste is reflected as below.

Total Waste by Scheduled Waste Categories

Waste Category	Waste Code	Total Waste Generated (MT)		
		FY2018	FY2019	FY2020
E-Waste	SW110	0.19	0.22	-
Sludge from WWTP	SW204	3.67	5.69	-
Spent lubricating oil	SW305	2.25	1.51	0.19
Spent non-halogenated organic solvents	SW322	18.76	7.20	5.44
Containers contaminated with scheduled waste	SW409	0.44	0.41	0.39
Used rags and filters	SW410	8.94	5.17	3.63
Spent activated carbon	SW411	1.65	1.80	1.66
Ink waste	SW417	2.57	1.03	2.78
Total		38.47	23.03	14.09

Total Scheduled Waste by Disposal Composition (MT)



No. of accidents
relating to
scheduled waste
in FY2020

Zero

Sustainability Statement (cont'd.)

EMPLOYMENT

SAFEGUARDING THE WELLBEING OF OUR MOST VALUABLE ASSET – OUR PEOPLE



WHY IT MATTERS

For Star Media Group, our people are our most valuable resource. They drive our distinctive perspective as a media company, are our public face, and embody our values and approach to value creation through their everyday work. Through comprehensive employee benefits, extensive training opportunities, alignment with collective bargaining agreements and more, we place focus on retaining our best employees by providing opportunities for career and personal development. We believe that this results in a more motivated, productive and innovative workforce, enhancing our sustainability from a business standpoint.

OUR APPROACH

Looking at our approach towards recognising the value of our employees, the Group has consistently planned and undertook initiatives which will better safeguard the wellbeing and welfare of our employees. With that, our efforts to commit on the following remained steadfast in the current year.

Supporting balanced lifestyles through employee benefits

We have consistently placed a renewed focus on ensuring that the benefits and growth opportunities afforded to our staff remained at market-leading standards. Our commitment to ensuring that a rewarding career stands next to a fulfilling and balanced life outside the confines of work has also helped us in determining our approach towards leave allocation, medical assistances and other welfare benefits. This is in addition to the commitment in our minimum wage, which is kept at RM1,500 per month, in excess of the federally mandated minimum wage of RM1,200 per month.

Our determination in ensuring employee's benefits also persisted when we look at providing further assistance to new parents among our employees. In addition to our allocated maternity leave of 90 days and paternity leave of 3 days, we also provide an assistance allowance of RM1,000 for all new mothers as well as provide nursing facilities at our offices. This is to ensure that care is also extended to our employees' loved ones.

Listening to our employees

Throughout our history, we have maintained strong collaborative relationships with the National Union of Journalists Malaysia (NUJM) and the National Union of Newspaper Workers (NUNW), ensuring that our employees' interests are addressed and that we maintain a conducive and safe workplace. This commitment to listening to our employees is extended to our grievance mechanism that provides established channels for grievances to be lodged, addressed and resolved efficiently.



Growing human capital through continuous professional development

Our numerous long service awards given out every year are evidence of our ability to provide a working environment that is collegial, engaging and ultimately rewarding in the long-term. Regardless of their tenure, all employees should look upon their time with us as a period of personal and professional growth.

To achieve this, customised training and development opportunities are provided to all employees to suit the demands of their role and empower the acquisition of new and transformative skillsets. A detailed training needs analysis conducted by our Group People department facilitates this process, while evaluation exercises are conducted at the conclusion of all training programmes to gauge the relevance, quality and effectiveness of training module content. This iterative approach to training and development enables increased talent retention and employee satisfaction, which in turn leads to sustainable positive bottom line results.

OUR PERFORMANCE

We acknowledged that FY2020 brought significant challenges across our business divisions. With operations negatively impacted by the Covid-19 pandemic, we took the difficult but necessary decision to carry out a headcount exercise that affected 135 employees (62 in the first exercise and 73 in the second exercise). This was not a decision taken lightly as we have always considered our employees a key and vital extension of our organisation. From that exercise, all affected employees received a full severance package in addition to direct assistance provided from our Group People department (for those requested) with their Employment Insurance System (EIS) application, a financial scheme by PERKESO that assists retrenched individuals until they find new employment.

Looking beyond this, our gratitude towards our employees in bridging the gap between our performance and aspirations as an organisation will continue to encourage us to work tirelessly in contributing back to our workforce in all forms and manner. As we acknowledged the fact that improvements are always available within our actions, we appreciate the understanding and determination of our employees in the course of growing together with Star Media Group as a whole.

Total workforce headcount by entity

Entity	Headcount	% of total
Star Media Group Berhad	746	70.9%
SMG Business Services Sdn. Bhd.	131	12.5%
Star Media Radio Group Sdn. Bhd.	22	2.1%
Star Rfm Sdn. Bhd. (988)	50	4.8%
Rimakmur Sdn. Bhd. (Suria)	32	3.0%
SMG Entertainment Sdn. Bhd. (Dimsum)	37	3.5%
StarProperty Sdn. Bhd.	18	1.7%
I.Star Ideas Factory Sdn. Bhd.	12	1.1%
I.Star Events Sdn. Bhd.	4	0.4%
TOTAL	1052	100%

Total number of recipients of long service award (15 years/25 years)

15 years: 27 pax

25 years: 23 pax

Number of learning hours across training initiatives

6,778 learning hours

Number of employees trained

285

Number of trainings (internal & external) conducted

50 courses

Sustainability Statement (cont'd.)

OCCUPATIONAL HEALTH AND SAFETY

ENSURING SAFETY, ENABLING TALENT TO SHINE



WHY IT MATTERS

As one of Malaysia's longest-standing and most storied employers, we know that our continued success is down to our knowledgeable, dedicated and committed workforce. Sustaining the talent at our disposal is about more than providing opportunities for career advancement and growth; it is about ensuring a safe and hazard-free environment within which work can take place. To do this, we continually seek improvement in our occupational health and safety practices, underscored by our commitment to being a highly trusted and respected employer within our industry.

OUR APPROACH

We aim to stand for industry-leading standards in occupational health and safety by implementing a three-pronged approach that focuses on:

- compliance with leading occupational health and safety standards;
- strong governance structures; and
- stringent control measures and procedures.

Collectively, these three pillars form a comprehensive occupational health and safety management system that enables big picture oversight of our initiatives in relation to our objectives, while also facilitating the creation of workplace-specific policies and action plans.

Ensuring compliance with leading standards

The Group strives to comply with all safety, health and environmental standards and certifications as required by law, including the following primary Acts, among others:

- Occupational Safety and Health Act 1994 (OSHA);
- Environmental Quality Act 1974 and its regulations;
- Fire Services Act 1988; and
- Factories and Machinery Act 1967.

In particular, as the leading health and safety requirement within Malaysia, OSHA forms the basis of many of our occupational health and safety control measures and procedures. Using OSHA as a reference point, our processes have been refined throughout the Group's history to optimise health and safety standards in the context of our work environments and achieve improvements in performance. Besides, our health and safety management system is also developed based upon Malaysia Standard (MS)

1722:2011 Occupational Safety and Health Management Systems. This ensures that our measures not only comply with applicable regulations but further adhere to enhanced standards of best practice.

Adopting stringent control measures and procedures

With our workforce spread over multiple jurisdictions and work environments, maintaining a set of stringent control measures and procedures is vital. All high-risk activities that our employees engage in are governed by safe operational procedures as derived from our Hazard Identification, Risk Assessment and Risk Control (HIRARC) exercises. Such measures also extend to external parties, as for instance, all contractors are required to submit their safe work methods and attend safety briefings conducted by our health and safety representatives before they commence their work.

As one of our core businesses involves work at printing plants, fire safety is a key area of focus. Our measures in this area include installation of water sprinklers, placement of fire extinguishers, fire hydrants, and fire alarm systems at all workplaces. The equipment and system are maintained regularly by appointed third-party and original equipment manufacturer (OEM) suppliers to ensure that their functionality are constantly maintained at optimal levels.

Similarly, the functionality and safety of heavy machinery equipment (i.e. hoisting systems and pressurised vessels) within the Group printing plants are inspected on an annual basis as part of its renewal of the DOSH certification. This is assisted by an external consultant which is appointed by the Group to advise and act as a liaison with DOSH officials during the annual inspection process.

Regular health and safety trainings are also mandated as an essential aspect of our management system. Although the majority of trainings were kept on hold due to the Covid-19 pandemic in FY2020, these trainings are usually conducted throughout the year and include:

- noise hearing protection training;
- chemical safety training (carried out once every 2 years);
- scheduled waste training; and
- safety inductions for new employees and third parties such as contractors (for whom a permit to work will only be issued after induction is completed).

During the current year, the Group managed to successfully conduct a noise risk assessment exercise with the assistance of a third-party consultant. In recognising the importance of protection from harmful noises, the exercise led to our efforts in updating our noise mapping chart and the installation of a noise haven booth, which is to provide an important acoustic refuge within our production areas.

Enforcing strong governance structures

All control measures, procedures and trainings are governed by our three Occupational Safety and Health (OSH) committees, which function as joint worker-management committees and are strategically based at our offices in Menara Star and Star Media Hub. OSH committees are responsible for managing, investigating and addressing all incidents, accidents, near misses and property damages across the Group.

As per OSHA requirements, we have established OSH committees for all workplaces that have 40 employees and more, allowing a strong degree of flexibility to receive feedback from employees at specific workplaces and develop measures to cater to their needs. In meeting our previously stated goal, we are pleased to have attained a 50/50 split in representation on all OSH committees between management and employees during FY2020.

To execute workplace-specific measures set by the OSH committees, two Emergency Response Teams (ERT) are currently based at Menara Star and Star Media Hub. ERTs are tasked with monitoring, managing and acting upon all emergency health and safety matters on site as well as assisting with the implementation of any new health and safety measures. In order to achieve their role, a representative of the site relevant ERT is invited to participate in all OSH committee meetings. At present, we are in the process of revamping the organisation of both ERTs due to recent changes in manpower across our workplaces.

Standing up to Covid-19

As the Covid-19 pandemic evolved into a truly global scourge, we were quick at establishing a task force to provide dedicated aids and support for the Group in navigating through its onslaught impact. The task force would oversee and manage specialised measures designed to ensure our employees' health and wellbeing during these extraordinary times.

The main scope of responsibilities for the task force included:

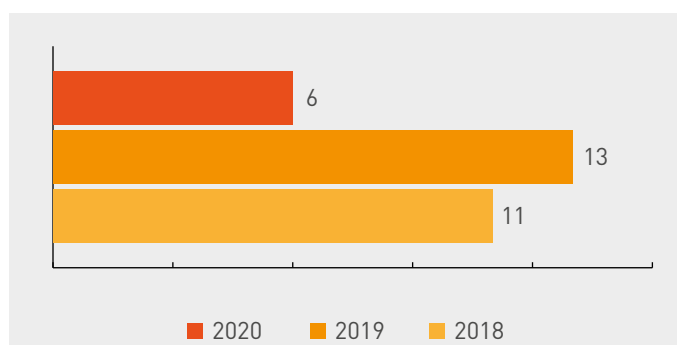
- actively monitoring and updating all employees on any news and key information pertaining to the pandemic from a global perspective, national landscape and state/local level;
- managing the provision of personal protective equipment (PPE) (such as masks, gloves, sanitizers etc.) for "our frontliners" (i.e., employees identified by Heads of Departments as having a higher risk of exposure due to the nature of their work); and

- performing rigorous internal contact tracing and testing should any employees or internal parties test positive for Covid-19; and etc.

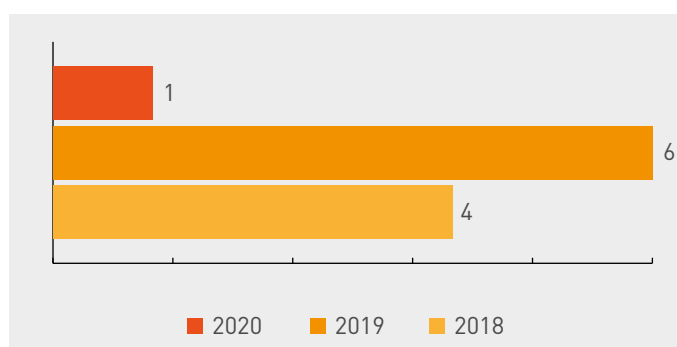
OUR PERFORMANCE

With consideration of the after-effects from the on-going pandemic, Star Media Group treats health and safety as one of the most serious matters across our operations. From our efforts in sharing knowledge to learning from experiences, we hope to constantly achieve exceptional performance pertaining to health and safety. As for our current year's performance, please be guided by the following:

Number of Accidents/Incidents



Total Lost Time Injuries/Man-Days



Percentage of management representation within OSH Committee

50%

Sustainability Statement (cont'd.)

DIVERSITY AND EQUAL OPPORTUNITY

CREATING EQUITY AND PROMOTING INCLUSION IN OUR WORKING ENVIRONMENT



WHY IT MATTERS

At Star Media Group, we treat diversity and equal opportunity as a key organisational priority and understand the impact that an inclusive working environment has on day-to-day productivity and resilience against setbacks alike. Our actions in promoting diversity and equal opportunity in our workplaces are therefore reflective of the importance we place on bringing the best out of our employees. By standing for meritocracy in every aspect and division of our business, we provide a pathway for our talent to rise to the top, simultaneously strengthening our reputation as a strong employer in the market. Both outcomes have a profound effect on the long-term value that we can generate for our people and society at large.

OUR APPROACH

Our approach to diversity and equal opportunity is based first and foremost on treating everyone fairly and equally, regardless of their age, gender, race, religion, nation of origin, sexual orientation, political and any other affiliations. This commitment is enshrined at all levels of our operations.

Fair recruitment and career advancement policies

Our recruitment policy supports our principle that all candidates should be treated equally. Potential new hires are assessed based on their merit and suitability to the role in question, and strict evaluation criteria governs the process. Likewise, candidates for promotion are assessed using a well-established framework that precludes preferential treatment and the use of non-performance-based criteria. The effect of these longstanding policies can be seen in our diverse cohorts at both the employee and governance levels.

Customised and merit-based training initiatives

Employee training is a key determinant of business sustainability. However, if allocated based on non-merit based factors, it can also entrench discrimination within an organisation to the detriment of employees and the business as a whole. Mindful of this potential blind spot, we have consciously adopted an approach to training that determines allocation based on the employee's specific work-based circumstances, such as the results of performance appraisals and the need to acquire new skillsets based on technological advancements or in line with career development. This unbiased approach to training needs analysis is governed by our Group People department and improves our ability to provide our talent with the resources they need to grow, regardless of who they are.

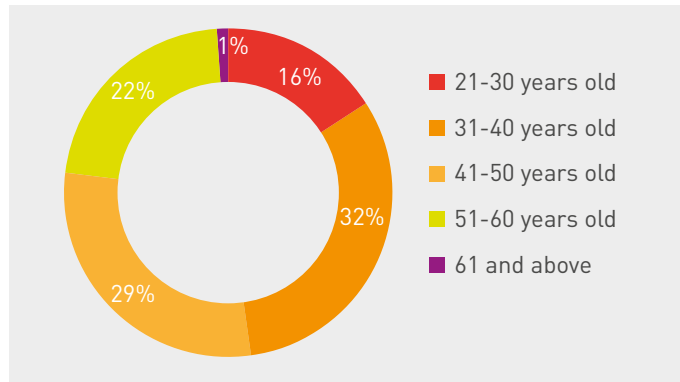
Established procedures and policies to report discrimination

Mindful of the fragmented nature of our business, with different divisions operating in isolation to one another and often in different parts of the country, upholding systems that allow our employees to highlight potential practices that are contrary to our ethics and code of conduct is key. Our Whistleblowing Policy and grievance mechanism provide important avenues for employees to report incidents or issues related to unfair treatment or discrimination, with issues escalated to the Head of Internal Audit or Chairman of the Audit Committee if the issue cannot be resolved through the normal reporting lines and procedures. The whistleblower's identity is kept confidential throughout the process.

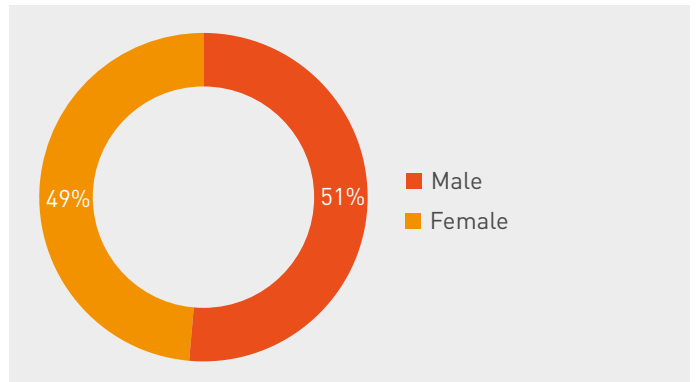
OUR PERFORMANCE

In line with our efforts to steer our employment practices towards adhering to the highest standards of professionalism and ethics, Star Media Group will remain vigilant and aim towards eliminating any forms of discrimination at all corners of our operations. In overall, a diverse workforce by age, gender and ethnicity reflects our belief in equality of opportunity and is a central component of a fair and well working environment.

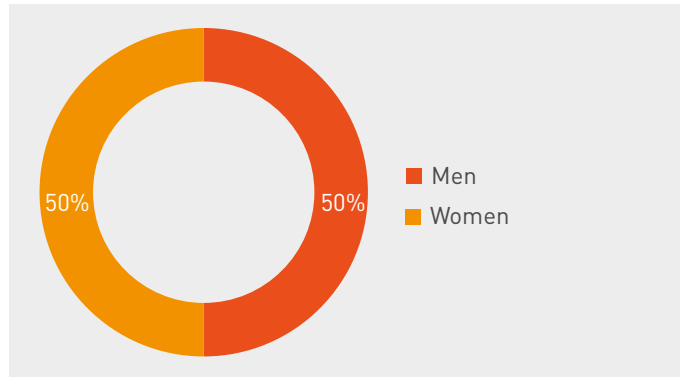
Workforce Age Composition



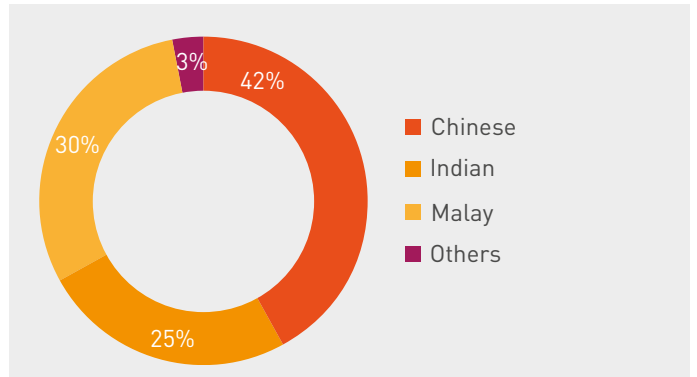
Employee Gender Composition



Women in Senior Management



Workforce Ethnicity Composition



Sustainability Statement (cont'd.)

COMMUNITY INVESTMENT

STRENGTHENING OUR PILLAR IN THE COMMUNITY



WHY IT MATTERS

While Star Media Group's primary role is to inform, educate and inspire, our work has also allowed us to develop a first-hand understanding of the plight of society's most disadvantaged and underserved. As 'The People's Paper', we are in a position to build awareness and facilitate meaningful change on these issues. Through our community initiatives and investments, we are extending assistance and contributing to improvements in quality of life for many Malaysians, enabling lasting change to lives and livelihoods across the country. To us, being a pillar of the community is about more than pure philanthropy. It's about ensuring that no one gets left behind.

OUR APPROACH AND PERFORMANCE

Our community investments are spearheaded by Star Foundation, the charitable arm of our Group. Established in 2004, the foundation raises, receives and administers funds for social causes, aimed at delivering meaningful initiatives with lasting outcomes to a diverse group of beneficiaries. The foundation is governed by a Board of Trustees who meet at least twice a year to review and approve applications for donations, with all applications processed and vetted by the Star Foundation team. Some of the key programmes supported by the foundation during the year are detailed below.



Supporting NGOs

Star Foundation provides financial support to local non-governmental organisations (NGO) to assist them with operating expenses, upgrading facilities and developing social welfare programmes. A total of RM575,000 was donated to 25 NGOs in FY2020, covering the following areas:

Access to basic needs and infrastructure	1 NGO
Health and wellbeing	2 NGOs
Community welfare and development	15 NGOs
Environmental protection	1 NGO
Education	6 NGOs

Wheelchair Programme

Since 2017, the Wheelchair Programme has donated wheelchairs to individuals and NGOs in need of urgent mobility support. A total of 11 wheelchairs were donated in FY2020, bringing our all-time total to 211 units.



Medical Fund Programme

It is part of our considerations that underprivileged individuals can find themselves in situations where they are unable to fulfil the need of urgent medical care and support. Leveraging on the wide reach of our platforms, the Medical Fund Programme helps to remedy this unfortunate reality by canvassing donations and rallying support from the public. The programme receives donations from the general public and corporates as well as contributions from the Group to support each eligible case. In total, four surgeries, all for children 7 years old and under, were funded in FY2020, at a total cost of RM153,555.

Our Covid-19 initiatives

The Covid-19 pandemic has caused disruptions across the country, and brought about great impact on the frontlines, in our hospitals and medical facilities. With these facilities at their greatest ever capacity and frontliners stretched to their limits, we established the Star Frontliners Initiative, organising donations and contributions to ease their burden, wherever possible. Some of the outcomes of the initiative included:

- raising over RM2.6 million, including a RM1 million contribution from Star Foundation, to provide much needed medical supplies to 34 hospitals and 15 state health departments. Purchase and distribution of medical items were done in close consultation with the Malaysian Ministry of Health.
- donating RM100,000 to three Sabahan NGOs to support communities in Sabah severely affected by the pandemic, with funds used to address food supplies, health and medical needs.



Sustainability Statement (cont'd.)

Star Golden Hearts Award

Since 2015, we've shone the spotlight on ordinary Malaysians who make extraordinary contributions to society. In partnership with Yayasan Gamuda, the Star Golden Hearts Award invites Malaysians to nominate exemplary individuals or organisations for their selfless social work in making Malaysia a better place. Recipients represent a wide range of social causes from environmental conservation to special needs youth skills training; digital inclusion initiatives to holistic educational strategies. The one commonality is a shared desire to empower individuals and communities to be their best. In FY2020, the sixth edition of the award recognised ten winners from over 500 nominations, with two winners being bestowed with the coveted Gamuda Inspiration Award.



#StandTogether Campaign

Thanks to the tireless efforts of our award-winning R.AGE team, we've become progressively more aware of the prevalence and severity of school violence and bullying in Malaysia. In 2017, we launched the #StandTogether campaign with property developer SP Setia to address the issue at a national level.

The #StandTogether campaign is collaborative in nature, drawing upon the resources and knowledge of UNICEF and other parties, and endorsed by the Malaysian Ministry of Education. It focuses on encouraging kindness amongst youth through programmes run during National Kindness Week, which was from 21 to 27 September 2020. These programmes included:

- Kindness Workshops: Free online gatherings for students with interactive games and activities to improve their empathy skills, as well as surprise appearances from #StandTogether celebrity ambassadors.
- Kindness Challenge: A fun and memorable way to learn about kindness and empathy, run through an interactive WhatsApp chatbot which sends daily "Kindness Missions" to participants over five days.
- Kindness Leadership Programme: A nationwide programme that guides students to become advocates for kindness and empathy in their schools and communities by providing resources, mentorship and financial grants. Students who completed the Leadership Programme were able to pitch for RM1,000 in grant funding to run kindness projects in their schools.



Even as the Covid-19 pandemic restricted Kindness Week to online-based experiences in FY2020, the response was more than we could have anticipated. With over 8,000 registrations from schools across the country, more than 243,000 video views and recognition by the United Nations as one of 10 case studies highlighted in a global report on tackling violence, the performance of this programme for the year was truly remarkable. Other notable outcomes include:

- over 2,000 students were engaged through #StandTogether celebrity engagement content and webinars via UNICEF's #KitaConnect network on Telegram.
- 3,119 participants attended 18 Kindness Workshops online.
- 870 people registered for the Kindness Challenge chat bot.
- 14 Celebrity Kindness Ambassadors were recruited for the causes, while two VIP industry leaders pledged their support.

Sustainability Statement (cont'd.)

QUALITY EDUCATION

USING OUR REACH AS A MEDIUM FOR EDUCATIONAL CHANGE



WHY IT MATTERS

At Star Media Group, we treat diversity and equality as a key focus area of our community efforts for decades, and education sits at the nexus of many of our sustainability objectives. By helping to nurture future generations to become well informed, thirsty for knowledge and highly literate in English, it drives sustained demand for the English content that we provide. On the other side of the coin, our efforts to promote journalism as a career path will help maintain the quality of our work in the long term. Looking beyond our business and its direct impacts, education is a rising tide that lifts all boats, and we consider it our responsibility to take a leading role in enhancing education accessibility and outcomes for Malaysians.

OUR APPROACH AND PERFORMANCE

Our educational initiatives can be divided into three broad themes, namely:

ACCESS TO QUALITY EDUCATION FOR ALL

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

ADVOCATING ENGLISH LITERACY

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

PROMOTING JOURNALISM AS A SUSTAINABLE CAREER PATH

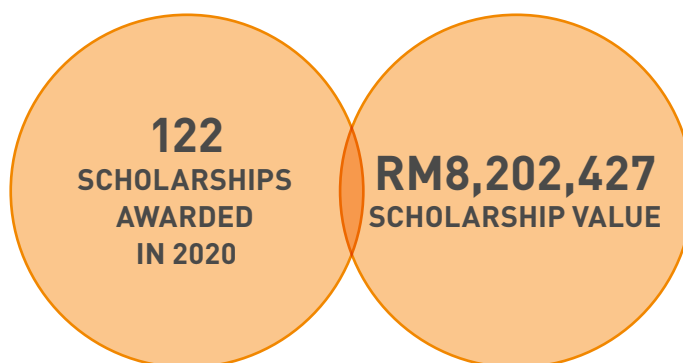
- BRATs
- Editorial internships

Individual programmes and initiatives are aligned and developed under each of these themes, many of which the Group has supported and upheld for more than 20 years.

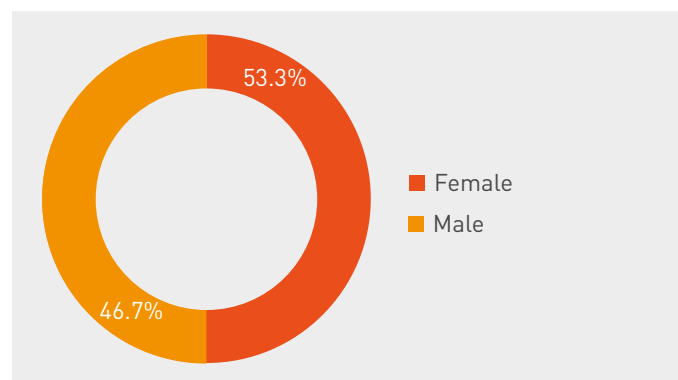
Star Education Fund

In operation since 1994, the Star Education Fund provides scholarships to students aged 17 to 25 years old, enabling young talents to become scholars and successful professionals in their chosen field of study. The fund is managed by a dedicated unit which strives to ensure that a wide variety of disciplines offered by credible institutions are available under the programme, ranging from diploma-level to professional certifications covering both arts and science subjects. The unit also reviews all applications according to predefined guidelines to promote fair and equitable distribution of scholarships.

For FY2020, the Fund awarded scholarships to 122 students amounting to RM8.2 million scholarship value. This was carried out in collaboration with private tertiary institutions, with the Group currently maintaining partnerships with 30 institutions.



Gender Breakdown of 2020 Recipients





NiE and Step Up programmes

Newspapers are an excellent and underutilised educational delivery tool as they reach a large cross-section of society and are a useful medium for reading and comprehension. Through our NiE and Step Up programmes, we have long been using newspaper pull-outs as a means to reach secondary and primary level students respectively, delivering content that is interactive, curated by experienced English language specialists and in accordance with the national syllabus of Malaysia. Further to this, both programmes are fully endorsed by the Malaysian Ministry of Education.

The NiE pullout also contains a special section called Earn Your Band 6 (now called Earn Your Band 5+ in line with the new grading system implemented by the Malaysian Examination Board) which provides dedicated content to help students preparing to sit for the Malaysian University English Test (MUET). In addition to exam tips and strategies, candidates are also encouraged to submit their essays for evaluation by in-house MUET specialists, providing them a vital source of feedback prior to the big day.

Unfortunately, during FY2020, a decision was made by the Group to postpone the publication of Step Up issues for our targeted primary level students due to the various restrictions caused by the Covid-19 pandemic. Focus was then shifted to our NiE programme, largely due to our consideration of the accessibility of secondary students to online platforms as required for the revamped delivery method of such programme. Hence, the publication of NiE remained at 20 copies throughout FY2020.

Nurturing the next generation of journalists

Quality journalism is the bread and butter of how we create value as an organisation, and we strive to do everything we can in supporting young people who see their future in this rewarding profession.

BRATs is our very own teen journalism campus, gathering aspiring journalists in a specific city or location three times a year for a specialised programme that teaches them skills related to interviewing, video production, photography, social media and everything they need to know about a career in journalism. BRATs is all about learning journalism skills on the ground, and has contributed towards the development of numerous public figures in the media and entertainment industries.

BRATs also serves as a gateway for students between 15 and 20 years to break ground and gain actual work experience with, or have their works published by The Star. Outstanding articles produced by students under the programme are published within the NiE pullout, while candidates who show the most potential are given an opportunity to serve as an editorial intern with the Group, in which they are tasked to shadow senior journalists as they go about their daily job routines. Nonetheless, these editorial internships have been temporarily put on hold during FY2020 owing to the impacts of the Covid-19 pandemic. We accepted a total of 50 students to be a part of the BRATs programme for FY2020.

As we forge forward towards exploring alternative means and platforms to bolster this programme, we stay committed to giving the best opportunities for all aspiring journalists; both to enable the ambition to thrive and as a means to ensure the continuing vitality of this industry.

Supporting frontliners with Kuntum Bersamamu

In line with our educational initiatives during the Covid-19 pandemic, we extended a helping hand with the complimentary contribution of Kuntum, our educational magazine, to the families of frontliners (i.e. firefighters, police and healthcare workers.) In total, we distributed 22,150 copies across 39 various drop points all over Malaysia.



Sustainability Statement (cont'd.)

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Sustainability Statement (cont'd.)

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

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 and details 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
Loss for the financial year	19,788	7,177
Attributable to:		
Owners of the parent	19,719	7,177
Non-controlling interests	69	-
	19,788	7,177

DIVIDEND

Dividend paid, declared and proposed since the end of the previous financial year was as follows:

	Company RM'000
In respect of the financial year ended 31 December 2019:	
Interim single tier dividend of 2.0 sen per ordinary share, paid on 17 April 2020	14,758

The Directors do not recommend the payment of any 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.

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.

Directors' Report (cont'd.)

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.

As disclosed in Note 16(b) to the financial statements, during the financial year, the Company repurchased a total of 13,111,500 of its own shares from the open market. The average price paid for the shares repurchased was RM0.33 per ordinary share. The total consideration paid was RM4,355,121, including transaction costs of RM5,915. The repurchase transactions were financed by internally generated funds and the shares repurchased were retained as treasury shares.

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

Tan Sri Dato' Seri Chor Chee Heung[#]
 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
 Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan^{*}

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. Victor Ng Fook Ai
 Mr. Terence Raj A/L John Jaganathan
 Mr. Kang Yew Jin
 Ms. Wang Chen Choo
 Ms. Lam Swee Kim
 Ms. Esther Ng Sek Yee
 Mr. Au Chen Sum[^]
 Ms. Soh Sze Jean[^]
 Mr. Andreas Vogiatzakis^{*}
 Mr. Chan Shiang Chiat^{*}
 Mr. Loo Mun Yook^{*}
 Mr. Ragesh Rajendran^{*}
 Mr. Rozaid Bin Abdul Rahman^{*}

[^] 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' 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 remuneration 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 2020 was RM36,741.

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, except as disclosed in Note 34 to the financial statements.

Directors' Report (cont'd.)

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 DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event during the financial year and 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 2020 are disclosed in Note 23 to the financial statements.

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

Chan Seng Fatt

Director

Petaling Jaya
24 March 2021

Dato' Dr. Mohd Aminuddin bin Mohd Rouse

Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 117 to 183 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 2020 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,

Chan Seng Fatt
Director

Petaling Jaya
24 March 2021

Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Director

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 117 to 183 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)
24 March 2021)

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 2020 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 117 to 183.

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 2020, 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' *International Code of Ethics for Professional Accountants (including Independence Standards)* ("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 on consolidation

Goodwill on consolidation 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 the probability weighted expected cash flows of the CGU in determining the recoverable amount. These key assumptions include forecast growth in future revenues, operating profit margins and terminal values, taking into consideration the impact of Covid-19 pandemic, as well as determining an appropriate pre-tax discount rate.

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 on consolidation (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) assessed the reasonableness of management's assumptions on the basis of determining the probability weighted expected cash flows by assessing evidence available to support these assumptions;
- (iv) compared cash flow projection against recent performance, and assessed and challenged the key assumptions in projection to available external industry sources of data;
- (v) verified operating profit margins, growth rates and terminal values, incorporating the impact of Covid-19 pandemic, by assessing evidence available to support the key assumptions in projection;
- (vi) 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
- (vii) 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 2020, trade receivables of the Group and the Company were RM26,126,000 and RM22,522,000 respectively, as disclosed in Note 12 to the financial statements.

The Group and the Company have further impaired trade receivables amounted to RM639,000 and RM595,000 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 with consideration of the impact of Covid-19 pandemic.

Audit response

Our audit procedures included the following:

- (i) recomputed the probability of default using historical data and forward-looking information adjustment, incorporating the impact of Covid-19 pandemic, 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.

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.

Independent Auditors' Report to the Members of Star Media Group Berhad (Incorporated in Malaysia) (cont'd.)

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

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: (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, actions taken to eliminate threats or safeguards applied.

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

Kuala Lumpur
24 March 2021

Tang Seng Choon
02011/12/2021 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	255,429	277,917	253,044	273,438
Investment properties	6	148,052	148,532	148,052	148,532
Intangible assets	7	25,138	42,056	1,174	1,545
Right-of-use assets	8	18,316	20,793	1,118	1,384
Investments in subsidiaries	9	-	-	50,322	55,101
Investments in associates	10	-	-	-	-
Other investments	11	118	71	118	71
Other receivables	12	-	-	-	44,815
Deferred tax assets	13	3,881	3,397	-	-
Total non-current assets		450,934	492,766	453,828	524,886
Current assets					
Inventories	14	15,729	22,762	15,729	22,762
Trade and other receivables	12	100,096	65,894	129,953	56,782
Current tax assets		8,003	6,240	6,691	4,941
Cash and bank balances	15	353,236	385,928	283,527	309,445
Total current assets		477,064	480,824	435,900	393,930
TOTAL ASSETS		927,998	973,590	889,728	918,816

Statements of Financial Position as at 31 December 2020 (cont'd.)

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	738,564	738,564	738,564	738,564
Treasury shares	16	(6,124)	(1,769)	(6,124)	(1,769)
Reserves	17	47,312	81,670	34,276	56,211
		779,752	818,465	766,716	793,006
Non-controlling interests	9	(1,876)	(1,807)	-	-
TOTAL EQUITY		777,876	816,658	766,716	793,006
LIABILITIES					
Non-current liabilities					
Lease liabilities	8	15,713	18,255	147	834
Deferred tax liabilities	13	25,052	26,803	24,981	26,648
Total non-current liabilities		40,765	45,058	25,128	27,482
Current liabilities					
Trade and other payables	18	105,842	108,646	97,000	97,911
Derivative liabilities	19	-	28	-	28
Lease liabilities	8	3,495	3,057	884	389
Current tax liabilities		20	143	-	-
Total current liabilities		109,357	111,874	97,884	98,328
TOTAL LIABILITIES		150,122	156,932	123,012	125,810
TOTAL EQUITY AND LIABILITIES		927,998	973,590	889,728	918,816

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 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	20	196,416	315,934	165,530	263,183
Cost of sales and services	21	(117,062)	(148,085)	(100,354)	(121,521)
Gross profit		79,354	167,849	65,176	141,662
Other income		65,475	22,363	105,994	32,018
Distribution costs		(42,754)	(51,781)	(39,713)	(45,245)
Administrative and other expenses		(117,225)	(122,582)	(134,895)	(109,360)
Finance costs	22	(1,378)	(1,206)	(80)	(80)
(Loss)/Profit before tax	23	(16,528)	14,643	(3,518)	18,995
Tax expense	24	(3,260)	(8,922)	(3,659)	(6,563)
(Loss)/Profit for the financial year		(19,788)	5,721	(7,177)	12,432
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	24	119	42	-	-
Reclassification of foreign exchange translation reserve to profit and loss on dissolution of a foreign subsidiary	24	-	2,864	-	-
Total comprehensive (loss)/income, net of tax		(19,669)	8,627	(7,177)	12,432

**Statements of
Profit or Loss and Other Comprehensive Income
for the Financial Year Ended 31 December 2020 (cont'd.)**

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Loss)/Profit attributable to:					
Owners of the parent		(19,719)	5,677	(7,177)	12,432
Non-controlling interests	9	(69)	44	-	-
		(19,788)	5,721	(7,177)	12,432
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(19,600)	8,583	(7,177)	12,432
Non-controlling interests		(69)	44	-	-
		(19,669)	8,627	(7,177)	12,432
(Loss)/Earnings per ordinary share					
attributable to equity holders of the Company (sen):					
Basic and diluted	25	(2.71)	0.77		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

← 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	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(e))	-	-	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

Consolidated Statement of Changes In Equity for the Financial Year Ended 31 December 2020 (cont'd.)

Group	← Attributable to equity holders of the Company →						
	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 2020	738,564	(1,769)	2,711	78,959	818,465	(1,807)	816,658
Loss for the financial year	-	-	-	(19,719)	(19,719)	(69)	(19,788)
Foreign currency translations, net of tax	-	-	119	-	119	-	119
Total comprehensive loss, net of tax	-	-	119	(19,719)	(19,600)	(69)	(19,669)
Transactions with owners							
Purchase of treasury shares (Note 16(b))	-	(4,355)	-	-	(4,355)	-	(4,355)
Dividend paid (Note 26)	-	-	-	(14,758)	(14,758)	-	(14,758)
Total transactions with owners	-	(4,355)	-	(14,758)	(19,113)	-	(19,113)
Balance as at 31 December 2020	738,564	(6,124)	2,830	44,482	779,752	(1,876)	777,876

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
Balance as at 1 January 2019		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
Loss for the financial year		-	-	(7,177)	(7,177)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss, net of tax		-	-	(7,177)	(7,177)
Transaction with owners					
Dividend paid	26	-	-	(14,758)	(14,758)
Purchase of treasury shares	16(b)	-	(4,355)	-	(4,355)
Total transactions with owners		-	(4,355)	(14,758)	(19,113)
Balance as at 31 December 2020		738,564	(6,124)	34,276	766,716

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(16,528)	14,643	(3,518)	18,995
Adjustments for:					
Amortisation of intangible assets		12,556	12,950	727	248
Dividend income	23	-	-	(35,271)	-
Depreciation of:					
- investment properties	6	480	265	480	265
- property, plant and equipment	5	22,607	23,650	20,773	21,690
- right-of-use assets	8	3,246	3,556	392	392
Fair value (gain)/loss on:					
- derivative liabilities	19(d)	(28)	67	(28)	67
- other investments	23	(47)	179	(47)	179
(Gain)/Loss on disposal of property, plant and equipment	23	(154)	66	(150)	66
Impairment losses on:					
- amounts owing by subsidiaries	12(l)	-	-	57,251	1,180
- equity loans	9(d)	-	-	3,497	-
- intangible assets		11,209	-	-	-
- investments in subsidiaries	9(b)	-	-	2	27,229
- other receivables	12(k)	12	-	5	-
- property, plant and equipment	5	1,757	-	986	-
- trade receivables	12(i)	639	1,073	595	685
Intangible assets written off	7	-	311	-	-
Interest expense	22	1,378	1,206	80	80
Interest income	23	(2,016)	(4,919)	(2,353)	(4,219)
Investment income	23	(6,997)	(8,729)	(6,841)	(8,359)
Net loss/(gain) on dissolution of subsidiaries	23	-	2,806	-	(11,762)
Net gain on disposal of an associate	23	(55)	-	-	-
Property, plant and equipment written off		69	67	1	62
Reversal of impairment losses on:					
- amounts owing by subsidiaries	12(l)	-	-	(750)	-
- equity loans	9(d)	-	-	(4,720)	-
- trade receivables	12(i)	(631)	(2,227)	(71)	(764)
Unrealised gain on foreign exchange	23	(43)	(7)	(17)	(8)
Operating profit before working capital changes		27,454	44,957	31,023	46,026

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.)					
Changes in working capital:					
Inventories		7,033	13,501	7,033	13,501
Trade and other receivables		(35,318)	5,017	(42,837)	6,088
Trade and other payables		(2,681)	23,465	(903)	34,505
Cash (used in)/generated from operations		(3,512)	86,940	(5,684)	100,120
Tax paid		(8,040)	(9,647)	(7,076)	(6,566)
Tax refunded		659	22,390	-	15,628
Net cash (used in)/from operating activities		(10,893)	99,683	(12,760)	109,182
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		-	-	5,807	-
Interest received		3,118	5,935	2,355	4,738
Investment income received		6,997	8,729	6,841	8,359
Net advances to subsidiaries		-	-	(7,095)	(18,269)
Proceeds from disposals of:					
- an associate	10(c)	55	-	-	-
- property, plant and equipment		305	439	297	423
Proceeds from dissolution of a subsidiary		-	58	-	-
Purchases of:					
- intangible assets		(6,847)	(10,372)	(356)	(1,036)
- property, plant and equipment	5	(2,096)	(2,402)	(1,513)	(1,585)
Redemption of other investment		-	10,000	-	10,000
(Placements)/Withdrawals of deposits with licensed banks with original maturity of more than three (3) months		(26)	17,111	-	17,123
Net cash from investing activities		1,506	29,498	6,336	19,753
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	26	(14,758)	(22,136)	(14,758)	(22,136)
Interest expenses paid on lease liabilities		(1,363)	(1,189)	(80)	(80)
Payments of lease liabilities		(2,873)	(2,846)	(318)	(393)
Purchase of treasury shares	16(b)	(4,355)	-	(4,355)	-
Net cash used in financing activities		(23,349)	(26,171)	(19,511)	(22,609)
Net (decrease)/increase in cash and cash equivalents		(32,736)	103,010	(25,935)	106,326
Effects of exchange rate changes on cash and cash equivalents		18	(1)	17	8
Cash and cash equivalents at beginning of financial year		385,322	282,313	309,445	203,111
Cash and cash equivalents at end of financial year	15(e)	352,604	385,322	283,527	309,445

Statements of Cash Flows for the Financial Year Ended 31 December 2020 (cont'd.)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities	
	Group RM'000	Company RM'000
At 1 January 2019	13,018	1,439
Cash flows:		
- Payments of lease liabilities	(2,846)	(393)
- Interest expenses paid on lease liabilities	(1,189)	(80)
Non-cash flows:		
- Additions of lease liabilities	11,140	177
- Interest expenses on lease liabilities	1,189	80
At 31 December 2019	21,312	1,223
Cash flows:		
- Payments of lease liabilities	(2,873)	(318)
- Interest expenses paid on lease liabilities	(1,363)	(80)
Non-cash flows:		
- Additions of lease liabilities	769	126
- Interest expenses on lease liabilities	1,363	80
At 31 December 2020	19,208	1,031

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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 2020 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 24 March 2021.

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 and details 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 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.

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. 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, online portal and provision of on-demand internet streaming media.

Notes to the Financial Statements 31 December 2020 (cont'd.)

4. OPERATING SEGMENTS (cont'd.)

(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 and providing shared services.

The management evaluates performance of the operating segments on the basis of profit or loss from operations before tax not including non-recurring transactions, such as impairment losses on intangible assets, property, plant and equipment and right-of-use assets 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.

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

2020	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	172,469	20,272	3,675	-	-	196,416
Inter-segment sales	186	149	-	32,784	(33,119)	-
Total revenue	172,655	20,421	3,675	32,784	(33,119)	196,416
Results						
Segment results	(24,738)	(3,164)	(494)	3,256	977	(24,163)
Finance costs	(80)	(1,298)	-	-	-	(1,378)
Interest income	682	1,095	113	126	-	2,016
Investment income	6,985	-	-	12	-	6,997
(Loss)/Profit before tax	(17,151)	(3,367)	(381)	3,394	977	(16,528)
Tax expense						(3,260)
Loss for the financial year						(19,788)
Assets						
Segment assets	820,474	86,727	7,778	13,019	-	927,998
Liabilities						
Segment liabilities	120,808	23,584	3,131	2,599	-	150,122

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.):

2020	Print and digital RM'000	Broadcasting RM'000	Event and exhibition RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Other segment information						
Capital expenditure	7,125	1,325	13	480	-	8,943
Depreciation	22,242	3,796	40	255	-	26,333
Amortisation	12,111	300	-	145	-	12,556
Impairment losses on intangible assets	11,209	-	-	-	-	11,209
Impairment losses on property, plant and equipment	1,757	-	-	-	-	1,757
Impairment losses on right-of-use assets	8	-	-	-	(8)	-
Non-cash expenses other than depreciation	615	138	61	(5)	-	809
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/(Loss) 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

Notes to the Financial Statements 31 December 2020 (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.):

2019	Print and digital RM'000	Broadcasting RM'000	Event and exhibition RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
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

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. The amounts of non-current assets do not include financial instruments and deferred tax assets.

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

	Revenue		Non-current assets	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	194,824	314,534	446,935	489,298
Singapore	889	1,400	-	-
Others	703	-	-	-
	196,416	315,934	446,935	489,298

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.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Freehold 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
<u>Cost</u>						
At 1 January	47,822	139,076	400,665	122,989	-	710,552
Additions	-	-	79	2,001	16	2,096
Disposals	(47)	-	(387)	(785)	-	(1,219)
Written off	-	-	-	(178)	-	(178)
At 31 December	47,775	139,076	400,357	124,027	16	711,251
<u>Accumulated depreciation</u>						
At 1 January	-	49,245	269,919	112,593	-	431,757
Charge for the financial year	-	2,783	16,015	3,809	-	22,607
Disposals	-	-	(386)	(682)	-	(1,068)
Written off	-	-	-	(109)	-	(109)
At 31 December	-	52,028	285,548	115,611	-	453,187
<u>Accumulated impairment</u>						
At 1 January	-	-	878	-	-	878
Charge for the financial year	-	-	986	755	16	1,757
At 31 December	-	-	1,864	755	16	2,635
<u>Carrying amount</u>						
At 31 December	47,775	87,048	112,945	7,661	-	255,429

Notes to the Financial Statements 31 December 2020 (cont'd.)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

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
<u>Cost</u>							
At 1 January	46,447	1,395	149,313	571,118	125,507	489	894,269
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
<u>Accumulated depreciation</u>							
At 1 January	-	20	50,111	355,265	112,085	-	517,481
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
<u>Accumulated impairment</u>							
At 1 January	-	-	-	70,102	66	-	70,168
Written off	-	-	-	(69,224)	(66)	-	(69,290)
At 31 December	-	-	-	878	-	-	878
<u>Carrying amount</u>							
At 31 December	47,822	-	89,831	129,868	10,396	-	277,917

* The reclassification from leasehold land to freehold land was to reflect the change in status of the land.

5. PROPERTY, PLANT AND EQUIPMENT (cont'd.)

Company 2020	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment, renovations and motor vehicles RM'000	Total RM'000
<u>Cost</u>					
At 1 January	47,822	139,076	374,624	98,682	660,204
Additions	-	-	71	1,442	1,513
Disposals	(47)	-	-	(775)	(822)
Written off	-	-	-	(3)	(3)
At 31 December	47,775	139,076	374,695	99,346	660,892
<u>Accumulated depreciation</u>					
At 1 January	-	49,245	246,211	91,310	386,766
Charge for the financial year	-	2,783	15,529	2,461	20,773
Disposals	-	-	-	(675)	(675)
Written off	-	-	-	(2)	(2)
At 31 December	-	52,028	261,740	93,094	406,862
<u>Accumulated impairment</u>					
At 1 January	-	-	-	-	-
Charge for the financial year	-	-	986	-	986
At 31 December	-	-	986	-	986
<u>Carrying amount</u>					
At 31 December	47,775	87,048	111,969	6,252	253,044

Notes to the Financial Statements 31 December 2020 (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
<u>Cost</u>							
At 1 January	46,447	1,395	149,313	545,527	101,522	483	844,687
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
<u>Accumulated depreciation</u>							
At 1 January	-	20	50,111	332,036	92,253	-	474,420
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
<u>Accumulated impairment</u>							
At 1 January	-	-	-	69,224	66	-	69,290
Written off	-	-	-	(69,224)	(66)	-	(69,290)
At 31 December	-	-	-	-	-	-	-
<u>Carrying amount</u>							
At 31 December	47,822	-	89,831	128,413	7,372	-	273,438

* The reclassification from leasehold land to freehold land was to reflect the change in status of the land.

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, renovations 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) The Group and the Company assessed whether there are any indications 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 indications.

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 certain property, plant and equipment in the CGUs are lower than the carrying amounts of property, plant and equipment. Accordingly, impairment losses on property, plant and equipment of the Group and of the Company amounted to RM1,757,000 and RM986,000 respectively have been recognised within administrative and other expenses in the statements of profit or loss and other comprehensive income during the current financial year. The pre-tax discount rate applied on the cash flow projections in determining the recoverable amounts is 10.55% (2019: 9.50%).

6. INVESTMENT PROPERTIES

	Group and Company	
	2020 RM'000	2019 RM'000
Investment properties		
Cost		
Balance as at 1 January	21,895	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	21,895

Notes to the Financial Statements 31 December 2020 (cont'd.)

6. INVESTMENT PROPERTIES (cont'd.)

	Group and Company	
	2020	2019
	RM'000	RM'000
Investment properties (cont'd.)		
Accumulated depreciation		
Balance as at 1 January	(7,900)	(3,081)
Depreciation charge for the financial year	(480)	(265)
Reclassifications from property, plant and equipment (Note 5)	-	(3,837)
Reclassifications from right-of-use assets (Note 8)	-	(717)
Balance as at 31 December	(8,380)	(7,900)
	13,515	13,995

Investment property under construction

Cost

Balance as at 1 January	134,537	134,500
Reclassifications from property, plant and equipment (Note 5)	-	37
Balance as at 31 December	134,537	134,537
Carrying amount	148,052	148,532

- (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 (62) years (2019: thirty (30) and sixty-two (62) 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 RM45,650,000 (2019: RM41,910,000). 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	
	2020	2019
	RM'000	RM'000
Rental income	1,591	884
Direct operating expenses incurred on:		
- income generating investment properties	260	267
- non-income generating investment properties	19	5

7. INTANGIBLE ASSETS

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Goodwill on consolidation	a	21,932	21,932	-	-
Radio licences	b	-	-	-	-
Programmes rights	c	-	16,950	-	-
Computer software	d	2,964	2,605	932	976
Film rights	e	242	569	242	569
Internet portal	f	-	-	-	-
		25,138	42,056	1,174	1,545

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	
	2020 RM'000	2019 RM'000
Cost		
Balance as at 1 January/31 December		
- Radio broadcasting - CGU 1	21,932	21,932
- 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
Accumulated impairment losses		
Balance as at 1 January/31 December		
- 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

Notes to the Financial Statements

31 December 2020 (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	
	2020 RM'000	2019 RM'000
Carrying amount as at 31 December represents		
- Radio broadcasting - CGU 1	21,932	21,932

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. Due to the inherent uncertainty arising from the Covid-19 pandemic, value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGU under the expected cash flow approach based on the following assumptions:

	Worst case	Base case	Best case
Key assumptions			
Weightage	30%	60%	10%
Cash flow projections period	5 years	5 years	5 years
Average revenue growth rates	5%	9%	12%
Average operating profit margins	11%	22%	28%
Discount rate	10.00%	10.00%	10.00%

- (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 adjusted for specific risks relating to the CGU.

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 2020 as the recoverable amount is in excess of the carrying amount. However, the value-in-use calculation is sensitive to changes in certain key assumptions.

7. INTANGIBLE ASSETS (cont'd.)

(a) Goodwill on consolidation (cont'd.)

The sensitivity analysis of each of these key assumptions with all other variables being held constant are as follows:

Sensitivity analysis	Headroom
Probability weightage:	
Worst case: 100%, Base case: 0% and Best case: 0%	Breakeven
Average revenue growth rate decrease by 3.5%	Breakeven
Average operating profit margin decrease by 1000 basis points	No impairment loss
Pre-tax discount rate increase by 150 basis points	No impairment loss

In the previous financial year, value-in-use was determined by discounting a single set of estimated cash flows based on similar assumptions disclosed above. The pre-tax discount rate applied on the cash flow projections was 9.50%. The management was not aware of any reasonably possible change in the key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

(b) Radio licences

	Group	
	2020 RM'000	2019 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.

(c) Programmes rights

	Group	
	2020 RM'000	2019 RM'000
Cost		
Balance as at 1 January	48,964	40,631
Additions	4,935	8,333
Balance as at 31 December	53,899	48,964
Accumulated amortisation		
Balance as at 1 January	32,014	20,440
Charge for the financial year	10,705	11,574
Balance as at 31 December	42,719	32,014

Notes to the Financial Statements

31 December 2020 (cont'd.)

7. INTANGIBLE ASSETS (cont'd.)

(c) Programmes rights (cont'd.)

	Group	
	2020 RM'000	2019 RM'000
Accumulated impairment losses		
Balance as at 1 January	-	-
Charge for the financial year	11,180	-
Balance as at 31 December	11,180	-
Carrying amount	-	16,950

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.

The Group assessed whether there are any indications of impairment of programmes rights 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 indications.

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 had determined that the recoverable amounts of programmes rights were lower than their carryings amounts. Accordingly, full impairment losses amounted to RM11,180,000 were recognised within administrative and other expenses in the statements of profit or loss and other comprehensive income during the financial year. The discount rate applied on the cash flow projections in determining the recoverable amounts is 10.55% (2019: Nil).

(d) Computer software

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost				
Balance as at 1 January	17,846	17,137	13,412	12,499
Additions	1,902	1,916	346	913
Written off	-	(1,207)	-	-
Balance as at 31 December	19,748	17,846	13,758	13,412
Accumulated amortisation				
Balance as at 1 January	15,241	14,761	12,436	12,188
Charge for the financial year	1,514	1,376	390	248
Written off	-	(896)	-	-
Balance as at 31 December	16,755	15,241	12,826	12,436

7. INTANGIBLE ASSETS (cont'd.)

(d) Computer software (cont'd.)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Accumulated impairment losses				
Balance as at 1 January	-	-	-	-
Charge for the financial year	29	-	-	-
Balance as at 31 December	29	-	-	-
Carrying amount	2,964	2,605	932	976

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.

Management had determined that the recoverable amounts of computer software were lower than their carryings amounts. Accordingly, impairment losses amounted to RM29,000 was recognised during the financial year.

(e) Film rights

	Group and Company	
	2020 RM'000	2019 RM'000
Films rights		
Cost		
Balance as at 1 January	3,550	3,550
Additions	10	-
Reclassification from film under development	569	-
Balance as at 31 December	4,129	3,550
Accumulated amortisation		
Balance as at 1 January	1,253	1,253
Charge for the financial year	337	-
Balance as at 31 December	1,590	1,253
Accumulated impairment losses		
Balance as at 1 January/31 December	2,297	2,297
	242	-

Notes to the Financial Statements 31 December 2020 (cont'd.)

7. INTANGIBLE ASSETS (cont'd.)

(e) Film rights (cont'd.)

	Group and Company	
	2020	2019
	RM'000	RM'000
Film under development		
Cost		
Balance as at 1 January	569	-
Addition	-	123
Reclassifications from property, plant and equipment (Note 5)	-	446
Reclassification to film rights	(569)	-
Balance as at 31 December	-	569
Carrying amount	242	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 are 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	
	2020	2019
	RM'000	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
2020				
Group				
Cost				
Balance as at 1 January	1,600	23,113	3,709	28,422
Additions	-	-	769	769
Reversals	-	(1,537)	(116)	(1,653)
Balance as at 31 December	1,600	21,576	4,362	27,538
Accumulated depreciation				
Balance as at 1 January	810	4,596	2,223	7,629
Charge for the financial year	22	2,311	913	3,246
Reversals	-	(1,537)	(116)	(1,653)
Balance as at 31 December	832	5,370	3,020	9,222
Carrying amount	768	16,206	1,342	18,316
2020				
Company				
Cost				
Balance as at 1 January	1,600	1,116	293	3,009
Additions	-	-	126	126
Reversals	-	-	(115)	(115)
Balance as at 31 December	1,600	1,116	304	3,020
Accumulated depreciation				
Balance as at 1 January	810	669	146	1,625
Charge for the financial year	22	223	147	392
Reversals	-	-	(115)	(115)
Balance as at 31 December	832	892	178	1,902
Carrying amount	768	224	126	1,118

Notes to the Financial Statements 31 December 2020 (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				
Group				
Cost				
Balance as at 1 January	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	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	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
Accumulated depreciation				
Balance as at 1 January	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

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd.)

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

	Long term leasehold land RM'000	Plant and machinery RM'000	Premises RM'000	Total RM'000
Lease liabilities				
2020				
Group				
Balance as at 1 January	-	19,818	1,494	21,312
Additions	-	-	769	769
Lease payments	-	(2,963)	(1,273)	(4,236)
Interest expense	-	1,187	176	1,363
Balance as at 31 December	-	18,042	1,166	19,208
Company				
Balance as at 1 January	-	1,072	151	1,223
Additions	-	-	126	126
Lease payments	-	(242)	(156)	(398)
Interest expense	-	71	9	80
Balance as at 31 December	-	901	130	1,031
2019				
Group				
Balance as at 1 January	-	10,556	2,462	13,018
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	91	1,439
Additions	-	-	177	177
Lease payments	-	(346)	(127)	(473)
Interest expense	-	70	10	80
Balance as at 31 December	-	1,072	151	1,223
	Group	Company		
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Represented by:				
Non-current	15,713	18,255	147	834
Current	3,495	3,057	884	389
Total lease liabilities	19,208	21,312	1,031	1,223
Lease liabilities owing to non-financial institutions	19,208	21,312	1,031	1,223

Notes to the Financial Statements 31 December 2020 (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 relate to FM transmitters under finance lease arrangements (2020: RM5,424,000; 2019: RM6,139,000) and their related equipment (2020: RM10,559,000; 2019: 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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Depreciation charge of right-of-use assets (included in administrative and other expenses)	3,246	3,556	392	392
Interest expense on lease liabilities (included in finance costs)	1,363	1,189	80	80
Expense relating to short-term leases (included in administrative and other expenses)	101	206	96	139
Expense relating to leases of low-value assets (included in administrative and other expenses)	348	334	339	326
	5,058	5,285	907	937

- (d) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM4,236,000 (2019: RM4,035,000) and RM398,000 (2019: 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 of the 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
2020		
Group		
Extension options expected not to be exercised	108	108
Company		
Extension options expected not to be exercised	108	108
	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						
2020						
Lease liabilities						
Fixed rates	3.60% - 6.90%	19,208	3,495	2,227	6,435	7,051
2019						
Lease liabilities						
Fixed rates	3.60% - 6.45%	21,312	3,057	2,874	6,048	9,333

Notes to the Financial Statements

31 December 2020 (cont'd.)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd.)

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

- (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: (cont'd.)

	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
Company						
2020						
Lease liabilities						
Fixed rates	3.60% - 6.90%	1,031	884	147	-	-
2019						
Lease liabilities						
Fixed rates	3.60% - 6.40%	1,223	389	825	9	-

- (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				
2020				
Lease liabilities	4,560	11,467	7,642	23,669
2019				
Lease liabilities	4,302	12,252	10,423	26,977
Company				
2020				
Lease liabilities	899	150	-	1,049
2019				
Lease liabilities	465	846	-	1,311

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd.)

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	
	2020	2019
	RM'000	RM'000
Not later than one (1) year	1,278	1,648
One (1) to two (2) years	990	1,278
Two (2) to three (3) years	-	990
	2,268	3,916

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020	2019
	RM'000	RM'000
Unquoted shares - at cost	117,460	117,460
Equity loans	90,958	96,958
	208,418	214,418
Less: Accumulated impairment losses		
- Unquoted shares	(102,223)	(102,221)
- Equity loans	(55,873)	(57,096)
	(158,096)	(159,317)
	50,322	55,101

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 RM35,085,000 (2019: 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.

Notes to the Financial Statements 31 December 2020 (cont'd.)

9. INVESTMENTS IN SUBSIDIARIES (cont'd.)

- (b) The Company has assessed whether there are any indications 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 indications.

Impairment losses on investments in subsidiaries amounting to RM2,000 have been recognised within administrative and other expenses in the statements of profit or loss and other comprehensive income during the current financial year in respect of certain subsidiaries that had ceased business operations.

In the previous financial year, impairment losses on investments in subsidiaries amounting to RM27,229,000 had been recognised in respect of certain subsidiaries due to declining business operations. Management had 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 included 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 pre-tax discount rate applied on the cash flow projections in determining the recoverable amount was 9.50%.

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

Name of company	Country of incorporation	Interest in equity held by				Principal activities
		Company	Subsidiary	2020	2019	
		2020	2019	2020	2019	
Star Papyrus Printing Sdn. Bhd.	Malaysia	99%	99%	-	-	Inactive
Star Publications (Singapore) Pte. Ltd. ⁽²⁾	Singapore	100%	100%	-	-	Inactive
Star Media Radio Group Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
Impian Ikon (M) Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding
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.):

Name of company	Country of incorporation	Interest in equity held by				Principal activities
		Company		Subsidiary		
		2020	2019	2020	2019	
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%	Inactive
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. ⁽²⁾	Singapore	-	-	100%	100%	Inactive
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 International Limited ⁽¹⁾	Hong Kong	-	-	100%	100%	Inactive
Subsidiary of SMG Entertainment Sdn. Bhd.						
SMG Production and Distribution Sdn. Bhd.	Malaysia	-	-	100%	100%	Inactive

⁽¹⁾ Audited by member firms of BDO International.

⁽²⁾ Not audited by BDO PLT or member firms of BDO International.

Notes to the Financial Statements

31 December 2020 (cont'd.)

9. INVESTMENTS IN SUBSIDIARIES (cont'd.)

- (d) 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(j) 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
2020 Company				
At 1 January	-	-	57,096	57,096
Charge for the financial year	-	3,497	-	3,497
Reversal of impairment losses	-	-	(4,720)	(4,720)
At 31 December	-	3,497	52,376	55,873
2019 Company				
At 1 January/31 December	-	-	57,096	57,096

Impairment losses of equity loans amounted to RM4,720,000 has been reversed during the financial year due to settlements made by certain subsidiaries.

- (e) Dissolution of subsidiaries

In the previous financial year, 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.

In the previous financial year, 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.

- (f) 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 2020. The subsidiaries of the Group that have NCI are as follows:

	Individually immaterial subsidiaries	
	2020 RM'000	2019 RM'000
Carrying amount of NCI (RM'000)	(1,876)	(1,807)
(Loss)/Profit allocated to NCI (RM'000)	(69)	44
Total comprehensive (loss)/income allocated to NCI (RM'000)	(69)	44

10. INVESTMENTS IN ASSOCIATES

	Group	
	2020 RM'000	2019 RM'000
At cost:		
- Unquoted equity shares	1,300	2,300
- Share of post-acquisition losses, net of dividends received	(583)	(583)
Less: Impairment losses	(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.

(b) The details of the associates are as follows:

Name of company	Country of incorporation	Interest in equity held by subsidiary		Principal activities
		2020	2019	
H&H Connection Sdn. Bhd. ⁽¹⁾	Malaysia	30%	30%	Online retailer
Geob International Sdn. Bhd. ^{^ (1)}	Malaysia	-	20%	Distributors or dealers of medical products, electronic devices and engineering specialities

⁽¹⁾ Not audited by BDO PLT or member firms of BDO International.

[^] Details of disposal of associate during the financial year are disclosed in Note 10(c) to the financial statements.

All the above associates are accounted for using the equity method in the consolidated financial statements.

(c) Disposal of an associate - Geob International Sdn. Bhd.

On 11 February 2020, the Group completed the disposal of its entire equity interest (equivalent to 20%) in an associate, Geob International Sdn. Bhd., a company incorporated in Malaysia, which was engaged in distributions or dealings of medical products, electronic devices and engineering specialities for a total cash consideration of RM55,000.

(d) The Group does not have any associate, which is individually material to the Group for the financial years ended 31 December 2020 and 31 December 2019.

11. OTHER INVESTMENTS

	Group and Company	
	2020 RM'000	2019 RM'000
Non-current		
Equity securities		
- Quoted equity investments in Malaysia	118	71

(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 2020 (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				
2020				
Other investments				
- Quoted equity investments	118	-	-	118
2019				
Other investments				
- Quoted equity investments	71	-	-	71

Sensitivity analysis of 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

	Note	Group 2020 RM'000	2019 RM'000	Company 2020 RM'000	2019 RM'000
Non-current					
Non-trade					
Subsidiary	(d)	-	-	59,522	47,260
Less: Impairment losses		-	-	(59,522)	(2,445)
		-	-	-	44,815
Current					
Trade					
Third parties		30,129	42,782	25,589	33,621
Less: Impairment losses		(4,003)	(4,236)	(3,067)	(2,589)
Trade receivables, net	(b)	26,126	38,546	22,522	31,032
Non-trade					
Third parties	(c)	60,473	12,769	57,285	6,679
Subsidiaries	(e)	-	-	57,912	27,623
		60,473	12,769	115,197	34,302
Less: Impairment losses					
- Third parties		(3,468)	(3,456)	(3,461)	(3,456)
- Subsidiaries		-	-	(15,664)	(16,240)
		57,005	9,313	96,072	14,606
Sundry deposits and other receivables		2,225	2,493	1,334	1,488
Total current trade and other receivables, excluding prepayments		85,356	50,352	119,928	47,126

12. TRADE AND OTHER RECEIVABLES (cont'd.)

	Note	Group 2020 RM'000	2019 RM'000	Company 2020 RM'000	2019 RM'000
Total current trade and other receivables, excluding prepayments		85,356	50,352	119,928	47,126
Prepayments					
Prepayments		14,740	15,542	10,025	9,656
Total current trade and other receivables		100,096	65,894	129,953	56,782
Total trade and other receivables		100,096	65,894	129,953	101,597

- (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 (2019: 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) Other receivables of the Group and of the Company included an amount of RM50,542,000 (2019: Nil) in relation to the compensation income awarded as disclosed in Note 29(c) to the financial statements.
- (d) Non-current amount owing by a subsidiary represents unsecured advances, which bear interest at 2.25% (2019: 3.25%) per annum. The advances together with the interest receivable thereon are not payable within the next twelve (12) months.
- (e) 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.
- (f) 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, including the effects of Covid-19 pandemic.

Notes to the Financial Statements

31 December 2020 (cont'd.)

12. TRADE AND OTHER RECEIVABLES (cont'd.)

(g) 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
2020							
Group							
Expected loss rate	0.9%	1.6%	3.2%	9.0%	44.1%	78.4%	
Gross carrying amount (RM'000)	12,745	6,105	4,652	1,351	1,792	3,484	30,129
Impairment losses (RM'000)	109	100	151	122	790	2,731	4,003
2020							
Company							
Expected loss rate	0.6%	1.5%	2.9%	7.2%	9.1%	77.7%	
Gross carrying amount (RM'000)	10,209	5,556	4,250	1,100	1,104	3,370	25,589
Impairment losses (RM'000)	64	82	123	79	101	2,618	3,067
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
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

12. TRADE AND OTHER RECEIVABLES (cont'd.)

- (h) 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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Maximum exposure	30,129	42,782	25,589	33,621
Collateral obtained	(13,372)	(15,283)	(13,372)	(15,283)
Net exposure to credit risk	16,757	27,499	12,217	18,338

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.

- (i) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	4,236	6,112	2,589	3,301
Charge for the financial year	639	1,073	595	685
Written off	(241)	(722)	(46)	(633)
Reversal of impairment losses on trade receivables	(631)	(2,227)	(71)	(764)
At 31 December	4,003	4,236	3,067	2,589

- (j) 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. Credit impaired refers to debtors who are in significant financial difficulties as at the end of the reporting period. The Group defined significant increase in credit risk based on past due information, i.e. overdue amounts more than 120 days.

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. The Group has identified Gross Domestic Product ("GDP") and advertising expenditure ("ADEX") as the key macroeconomic factors.

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, including the effects of Covid-19 pandemic.

Notes to the Financial Statements 31 December 2020 (cont'd.)

12. TRADE AND OTHER RECEIVABLES (cont'd.)

(k) Movements in the impairment allowance for other receivables are as follows:

2020 Group	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January	-	-	3,456	3,456
Charge for the financial year	5	-	7	12
At 31 December	5	-	3,463	3,468

2020 Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January	-	-	3,456	3,456
Charge for the financial year	5	-	-	5
At 31 December	5	-	3,456	3,461

2019 Group	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January	-	-	3,504	3,504
Written off	-	-	(48)	(48)
At 31 December	-	-	3,456	3,456

2019 Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January/31 December	-	-	3,456	3,456

12. TRADE AND OTHER RECEIVABLES (cont'd.)

(l) Movements in the impairment allowance for amounts owing by subsidiaries are as follows:

2020 Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January	579	6,960	11,146	18,685
Charge for the financial year	-	140	57,111	57,251
Reversal of impairment losses	-	-	(750)	(750)
At 31 December	579	7,100	67,507	75,186

2019 Company	12-month ECL RM'000	Lifetime ECL - not credit impaired RM'000	Lifetime ECL - credit impaired RM'000	Total RM'000
At 1 January	579	6,960	9,966	17,505
Charge for the financial year	-	-	1,180	1,180
At 31 December	579	6,960	11,146	18,685

(m) The currency exposure profiles of trade and other receivables (excluding prepayments) are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	85,339	48,433	119,928	91,939
Singapore Dollar	10	1,917	-	-
United States Dollar	7	-	-	-
British Pound	-	2	-	2
	85,356	50,352	119,928	91,941

(n) Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as the effects are immaterial to the Group.

(o) 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:

Company	Weighted average effective interest rate per annum %	Within 1 year RM'000	More than 1 year RM'000	Total RM'000
2020				
Fixed rate	2.25%	-	-	-
2019				
Fixed rate	3.25%	-	44,815	44,815

In the previous financial year, non-trade amount owing by a subsidiary, which bore interest at 3.25% was similar to the market incremental lending rate offered by financial institutions and hence, the carrying amount was reasonable approximation of fair value.

Notes to the Financial Statements

31 December 2020 (cont'd.)

12. TRADE AND OTHER RECEIVABLES (cont'd.)

- (p) Sensitivity analysis for fixed rate instrument as at the end of the reporting period was not presented as fixed rate instrument was not affected by change in interest rate.
- (q) 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	
	2020	% of	2019	% of
	RM'000	total	RM'000	total
By country				
Malaysia	26,126	100%	38,546	100%
By industry sectors				
Print and digital	22,796	87%	33,283	86%
Broadcasting	2,300	9%	3,215	8%
Event and exhibition	1,030	4%	2,048	6%
	26,126	100%	38,546	100%

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries constituting 35% (2019: 61%) 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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	23,406	23,476	26,648	27,480
Recognised in profit or loss (Note 24)	(2,235)	(70)	(1,667)	(832)
Balance as at 31 December	21,171	23,406	24,981	26,648
Presented after appropriate offsetting:				
Deferred tax assets, net	(3,881)	(3,397)	-	-
Deferred tax liabilities, net	25,052	26,803	24,981	26,648
	21,171	23,406	24,981	26,648

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 2020	120	(1,143)	(10,623)	8,249	(3,397)
Recognised in profit or loss	(1,226)	(185)	3,901	(2,974)	(484)
At 31 December 2020	(1,106)	(1,328)	(6,722)	5,275	(3,881)
At 1 January 2019	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)

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 2020	31,946	3,106	(8,249)	26,803
Recognised in profit or loss	(2,119)	(2,606)	2,974	(1,751)
At 31 December 2020	29,827	500	(5,275)	25,052
At 1 January 2019	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

Notes to the Financial Statements

31 December 2020 (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: (cont'd.)

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 2020	32,024	(749)	(4,627)	26,648
Recognised in profit or loss	(2,251)	(203)	787	(1,667)
At 31 December 2020	29,773	(952)	(3,840)	24,981
At 1 January 2019	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

- (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	
	2020 RM'000	2019 RM'000
Unabsorbed capital allowances	2,579	2,255
Other temporary differences	1,270	(16,442)
Unused tax losses		
- No expiry date	2,508	2,508
- Expires by 31 December 2025	60,523	60,523
- Expires by 31 December 2026	10,509	10,509
- Expires by 31 December 2027	13,702	-
	91,091	59,353

The Group has assessed the likelihood of sufficient future profits available to recover the amount of deductible temporary differences, including taking into consideration the effects of Covid-19 pandemic. 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	
	2020	2019
	RM'000	RM'000
At cost		
Newsprint	15,713	22,748
Other raw materials and consumables	16	14
	15,729	22,762

- (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 RM17,104,000 (2019: RM33,108,000) and RM17,104,000 (2019: RM33,108,000) respectively.

15. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	56,779	61,957	25,902	24,805
Deposits placed with licensed banks	296,457	323,971	257,625	284,640
	353,236	385,928	283,527	309,445

- (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	
	2020	2019	2020	2019
Weighted average effective interest rates				
- Fixed rates	2.56%	3.80%	2.56%	3.92%

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.

- (b) Deposits of the Group and of the Company have a range of maturity period of 7 days to 184 days (2019: 7 days to 184 days) and 1 day (2019: 1 day) respectively.

Notes to the Financial Statements

31 December 2020 (cont'd.)

15. CASH AND BANK BALANCES (cont'd.)

(c) The currency exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	351,154	382,954	283,162	307,835
Singapore Dollar	1,178	2,283	341	1,583
United States Dollar	899	683	19	19
Chinese Renminbi	5	5	5	5
British Pound	-	3	-	3
	353,236	385,928	283,527	309,445

(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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Effects of 3% changes to RM against foreign currencies				
(Loss)/Profit after tax				
- Singapore Dollar	27	52	8	36
- United States Dollar	20	16	-*	-*

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

(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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	56,779	61,957	25,902	24,805
Deposits placed with licensed banks	296,457	323,971	257,625	284,640
Less:				
Deposits placed with licensed banks with original maturity of more than three (3) months	(632)	(606)	-	-
	352,604	385,322	283,527	309,445

(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.

16. SHARE CAPITAL AND TREASURY SHARES

	Company			
	2020		2019	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid up ordinary shares with no par value	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.

- (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
2020	13,112	4,355	6	0.33
	13,799	6,124	14	0.44

* 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 2020, there are 13,798,700 (2019: 687,200) ordinary shares with a cumulative total consideration amounting to RM6,124,601 (2019: RM1,769,480) held as treasury shares by the Company. The number of outstanding shares in issue after the Share Buy-Back is 724,764,902 (2019: 737,876,402) ordinary shares as at 31 December 2020.

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.

Notes to the Financial Statements

31 December 2020 (cont'd.)

17. RESERVES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Foreign exchange translation reserve	2,830	2,711	-	-
Distributable:				
Retained earnings	44,482	78,959	34,276	56,211
	47,312	81,670	34,276	56,211

(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.

18. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Trade payables	(b)				
Third parties		523	1,487	452	543
Subsidiaries		-	-	1,258	2,274
		523	1,487	1,710	2,817
Other payables					
Subsidiaries	(c)	-	-	4,694	4,702
Other payables	(d)	55,368	55,156	52,739	53,929
Accruals	(e)	31,905	27,677	21,457	16,596
Provision for restoration cost	(f)	292	277	-	-
Deferred income	(g)	11,906	14,035	10,550	9,853
Deposits from agents, subscribers and customers		5,848	10,014	5,850	10,014
		105,319	107,159	95,290	95,094
		105,842	108,646	97,000	97,911

(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 (2019: 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.

18. TRADE AND OTHER PAYABLES (cont'd.)

- (d) Other payables of the Group and of the Company included an amount of RM50,000,000 (2019: RM50,000,000) 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 RM17,788,000 (2019: RM14,290,000) and RM15,529,000 (2019: RM11,852,000) respectively.
- (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	
	2020	2019
	RM'000	RM'000
Balance as at 1 January	277	260
Recognised in profit or loss	15	17
Balance as at 31 December	292	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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	14,035	8,649	9,853	3,611
Additions during the financial year	35,788	68,991	29,595	44,177
Recognised as revenue during the financial year	(37,917)	(63,605)	(28,898)	(37,935)
Balance as at 31 December	11,906	14,035	10,550	9,853

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.

- (h) The currency exposure profiles of trade and other payables (net of deferred income) are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	92,707	87,812	85,873	86,928
United States Dollar	524	5,798	157	619
British Pound	334	510	334	510
Euro	272	-	-	-
Chinese Renminbi	75	-	75	-
Singapore Dollar	23	490	10	-
Australian Dollar	1	1	1	1
	93,936	94,611	86,450	88,058

Notes to the Financial Statements 31 December 2020 (cont'd.)

18. TRADE AND OTHER PAYABLES (cont'd.)

- (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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Effects of 3% changes to RM against foreign currencies				
(Loss)/Profit after tax				
- United States Dollar	12	132	4	14
- British Pound	8	12	8	12
- Euro	6	-	-	-
- Chinese Renminbi	2	-	2	-
- Singapore Dollar	1	11	-*	-

The exposure of Australian Dollar is not significant, hence the effects of the changes in the exchange rate is not presented.

* Amount was immaterial to disclose

- (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.

19. DERIVATIVE LIABILITIES

	Group and Company			
	2020		2019	
	Contract amount RM'000	Financial Liabilities RM'000	Contract amount RM'000	Financial Liabilities RM'000
Forward currency contracts	-	-	1,454	(28)

- (a) The Group and the Company had entered into one (1) currency forward contract with a financial institution in the previous financial year.
- (b) These currency forward contracts were entered into with the objective of managing exposures to currency risk for payables, which were denominated in a currency other than the functional currencies of the Group and of the Company. The fair values of the forward currency contracts were determined based on counter parties' quotes as at the end of each reporting period.
- (c) The above derivatives were initially recognised at fair value on the date the derivative contracts were entered into and were subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement was recognised in profit or loss.
- (d) During the financial year, the Group and the Company recognised a net gain of RM28,000 (2019: net loss of RM67,000) arising from fair value changes of derivative liabilities.

19. DERIVATIVE LIABILITIES (cont'd.)

- (e) The fair value of derivative liabilities of the Group and of the Company were 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)

There is no transfer between levels in the hierarchy during the financial year.

- (f) The notional amount and maturity date of the forward currency contracts outstanding as at 31 December 2019 were 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

20. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<i>Revenue from contracts with customers</i>				
Publication, printing, distribution of newspapers and magazines and digital	166,251	264,306	162,860	258,276
Event management and exhibition	7,391	23,820	2,670	4,907
Broadcasting	20,273	24,822	-	-
Subscription and distribution	2,501	2,986	-	-
	196,416	315,934	165,530	263,183

- (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 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.

Notes to the Financial Statements

31 December 2020 (cont'd.)

20. REVENUE (cont'd.)

(b) Services

Revenue from services represents the invoiced value arising from the broadcasting of commercials on radio (net of sales and services tax), distribution of media titles/rights and subtitles and subscription fees for on-demand internet streaming media (net of 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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Publication, printing, distribution of newspapers and magazines and digital	99,277	118,102	99,465	118,428
Event management and exhibition	4,263	15,904	889	3,093
Broadcasting	1,688	1,502	-	-
Subscription and distribution	11,834	12,577	-	-
	117,062	148,085	100,354	121,521

22. FINANCE COSTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Lease liabilities	1,363	1,189	80	80
- Unwinding of discount on provision for restoration cost	15	17	-	-
	1,378	1,206	80	80

23. (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, (loss)/profit before tax is arrived at:

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
After charging:					
Auditors' remuneration:					
BDO Malaysia					
- Statutory					
- Current year		366	366	244	244
- Non-statutory					
- Current year		11	11	11	11
Other auditors					
- Statutory					
- Current year		25	53	-	-
Directors' remuneration payable to:					
- Directors of the Company					
- Fees		630	700	630	700
- Other emoluments		411	390	339	318
- Directors of subsidiaries					
- Fees		-	21	-	-
- Other emoluments		-	696	-	-
Fair value loss on other investments		-	179	-	179
Foreign exchange loss:					
- Realised		84	311	1,058	107
Loss on disposal of property, plant and equipment		-	66	-	66
Net loss on dissolution of subsidiaries		-	2,806	-	-
Operating lease rental		339	326	339	326
Rental of equipment		9	8	-	-
Rental of premises		96	168	96	139
Rental of warehouse		5	38	-	-
And crediting:					
Compensation awarded	29(c)	50,542	-	50,542	-
Dividend income		-	-	35,271	-
Fair value gain on other investments		47	-	47	-
Foreign exchange gain:					
- Unrealised		43	7	17	8
Gain on disposal of property, plant and equipment		154	-	150	-
Gain on dissolution of a subsidiary		-	-	-	11,762
Gain on disposal of an associate		55	-	-	-
Interest income		2,016	4,919	2,353	4,219
Investment income		6,997	8,729	6,841	8,359
Rental income:					
- Investment properties	6(d)	1,591	884	1,591	884
- Others		477	937	477	1,712

Notes to the Financial Statements

31 December 2020 (cont'd.)

23. (LOSS)/PROFIT BEFORE TAX (cont'd.)

The estimated monetary value of benefits-in-kind received by Directors of the Company not included above was RM36,000 (2019: RM94,000).

(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.

24. TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current year tax expense based on (loss)/profit for the financial year				
- Malaysian income tax	6,514	9,838	6,305	7,905
Over provision in prior years				
- Malaysian income tax	(1,019)	(846)	(979)	(510)
	5,495	8,992	5,326	7,395
Deferred tax (Note 13)				
- Relating to origination and reversal of temporary differences	(3,142)	(2,591)	(2,688)	(3,317)
- Under provision in prior years	907	2,521	1,021	2,485
	(2,235)	(70)	(1,667)	(832)
Tax expense	3,260	8,922	3,659	6,563

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 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 (loss)/profit multiplied by the applicable tax rates of the Group and of the Company as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Loss)/Profit before tax	(16,528)	14,643	(3,518)	18,995
Taxation at Malaysian statutory rate of 24% (2019: 24%)	(3,967)	3,514	(844)	4,559
Expenses not deductible for tax purposes	3,643	5,768	22,884	8,307
Income not subject to tax	(3,923)	(5,459)	(18,423)	(8,278)
Deferred tax assets not recognised	7,617	3,352	-	-
Difference in tax rates in foreign jurisdiction	2	72	-	-
	3,372	7,247	3,617	4,588
(Over)/Under provision in prior years				
- corporate tax	(1,019)	(846)	(979)	(510)
- deferred tax	907	2,521	1,021	2,485
Tax expense	3,260	8,922	3,659	6,563

- (d) Tax on each component of other comprehensive income is as follows:

	Group					
	Before tax RM'000	2020 Tax effect RM'000	After tax RM'000	Before tax RM'000	2019 Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	119	-	119	42	-	42
Reclassification of foreign exchange translation reserve to profit and loss on dissolution of a foreign subsidiary	-	-	-	2,864	-	2,864

Notes to the Financial Statements

31 December 2020 (cont'd.)

25. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/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.

	2020	2019
In RM'000		
(Loss)/Profit attributable to equity holders of the parent	(19,719)	5,677
In '000		
Weighted average number of ordinary shares in issue	738,564	738,564
Weighted average number of treasury shares held	(9,699)	(687)
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	728,865	737,877
In sen		
(Loss)/Basic earnings per ordinary share	(2.71)	0.77

(b) Diluted (loss)/earnings per ordinary share

The diluted (loss)/earnings per ordinary share equal basic (loss)/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
2020		
2019 Interim dividend paid	2.0	14,758
2019		
2018 Interim dividend paid	3.0	22,136

27. EMPLOYEE BENEFITS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	115,919	116,313	88,628	84,643
Defined contribution retirement plans	15,811	16,947	11,859	12,418
Others	4,046	4,241	1,134	1,877
	135,776	137,501	101,621	98,938

In the previous financial year, included in employee benefits of the Group are Executive Directors' remuneration amounting to RM696,000.

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.
- (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	
	2020	2019
	RM'000	RM'000
Subsidiaries		
Dividend income	35,271	-
Interest income	1,781	1,228
Jobbing income	298	326
Purchase of subscription	2	12
Rental income	754	774
Sales of advertisement space	32	76
Shared services cost	27,836	31,728

Notes to the Financial Statements 31 December 2020 (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 (cont'd.):

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Companies in which certain Directors of the Company deemed to have financial interests				
Sales of advertisement space	272	367	272	367
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 2020 is disclosed in Notes 12 and 18 to the financial statements.

- (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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors				
Short term employee benefits	447	484	375	412
	447	484	375	412
Other member of key management				
Short term employee benefits	729	439	426	439
Contributions to defined contribution plans	65	12	57	12
	794	451	483	451
Total compensation of key management personnel	1,241	935	858	863

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:

	2020		2019	
	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	-	461	-	420

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 JAKS Resources Berhad ("JRB") for inter alia:

- (a) 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
- (b) 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 for summary relief in respect of the Company's Corporate Guarantee claim against JRB; and
- an application to strike out the JIC's and JRB's claim against the Company.

Notes to the Financial Statements 31 December 2020 (cont'd.)

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 had been further adjourned to 18 June 2020 in light of the extension of the Movement Control Order by the Government of Malaysia. However, the hearing was further adjourned to 7 August 2020.

On 7 August 2020, the Court had partly allowed the Company's application filed under Order 14A of the Rules of High Court 2012 in respect of the Company's Corporate Guarantee claim against JRB. The High Court had amongst others, ruled that the Company be compensated by JRB at the rate of 8% per annum on the Balance Purchase Price of RM134,500,000 from 25 October 2015 to 6 July 2020 (amounting to RM50.5 million), which would continue to run from 6 July 2020 to the date JRB completes or cause to be completed JAKS's obligations under the SPA namely the full and complete delivery of the Company's Entitlement in full and proper compliance with the terms of the SPA. Therefore, the Company had recognised the compensation for the late delivery of vacant possession during the current financial year as it deemed the realisation is virtually certain.

On 25 August 2020, the Company was informed by its solicitors that JRB had appealed against the High Court's decision ("Appeal 1122") and had also applied for a Stay of Execution of the High Court's Order dated 7 August 2020. The hearing for the Stay of Execution application by JRB was originally fixed on 14 October 2020 and postponed to 25 November 2020, 11 January 2021 and is re-fixed on 24 March 2021. On 24 March 2021, the High Court dismissed JRB's application for the Stay of Execution of the High Court's Order dated 7 August 2020 with costs of RM3,000 awarded to the Company.

On 1 September 2020, the Company appealed to the Court of Appeal against part of the High Court's decision made on 7 August 2020 that it is not necessary and incumbent on JRB and/or JIC, having regard to the provisions of Clause 18(a)(i) of the SPA as well as general construction industry practice, to provide the full set construction drawings, details and specifications requested by the Company vide letter dated 1 July 2020 in order to carry out proper and meaningful joint inspection under Clause 4B.4 of the SPA ("Appeal 1188").

Following the case management for Appeal 1188 on 17 November 2020, the parties agreed that Appeal 1122 and Appeal 1188 will be heard together at the Court of Appeal. The Court then directed that e-Appellate hearing for both Appeal 1122 and Appeal 1188 be fixed on 27 July 2021.

On 28 September 2020, the High Court dismissed the Company's application to strike off JIC's and JRB's claim. The Company had on 2 October 2020 filed an appeal to the Court of Appeal against the decision of the High Court ("Appeal 1435"). During the case management on 25 January 2021, the Company proposed for this Appeal 1435 to be heard with Appeal 1122 and Appeal 1188 given their commonality in facts and law. JIC and JRB's solicitors informed the Court that they would seek their clients' instructions on this matter. Appeal 1122, Appeal 1188 and Appeal 1435 shall hereinafter be collectively referred to as the "3 Appeals".

During the case management before the Court of Appeal on 4 March 2021, the Deputy Registrar of the Court of Appeal directed for the 3 Appeals be heard together on 27 July 2021. A further case management for the 3 Appeals at the Court of Appeal is fixed for 8 July 2021.

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.

30. CAPITAL COMMITMENTS

	Group and Company	
	2020	2019
	RM'000	RM'000
Authorised capital expenditure not provided for in the financial statements		
- contracted	1,271	1,341
- not contracted	11,987	14,253
	13,258	15,594
Analysed as follows:		
- Property, plant and equipment	13,258	15,594

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 2019.

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.

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 2020 and 31 December 2019.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Lease liabilities	19,208	21,312	1,031	1,223
Less: Cash and bank balances (Note 15)	(353,236)	(385,928)	(283,527)	(309,445)
Net cash	(334,028)	(364,616)	(282,496)	(308,222)
Total capital	779,752	818,465	766,716	793,006
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 more than 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 2020.

The Group is not subject to any other externally imposed capital requirements.

Notes to the Financial Statements 31 December 2020 (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 RM2,082,000 (2019: RM2,974,000) for the Group and RM365,000 (2019: RM1,610,000) 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.

The Group and the Company enter 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 was disclosed in Note 19 to the financial statements.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 12, 15 and 18 to the financial statements respectively.

(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 18 to the financial statements respectively.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd.)

(b) Financial risk management (cont'd.)

(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 15 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.

(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.

Notes to the Financial Statements

31 December 2020 (cont'd.)

32. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

32.1 New MFRSs adopted during the financial year

The Group and the 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
<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>Amendments to MFRS 16 Leases Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopted)
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020 (effective immediately)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

32.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

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>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<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

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 has implemented the requirements of this final agenda decision during the financial year ended 31 December 2020. There is no material impact on the financial statements of the Group as at the end of reporting period.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Coronavirus disease 2019 "Covid-19" pandemic

The 2019 Novel Coronavirus infection ("Covid-19") was declared a pandemic by the World Health Organisation on 11 March 2020 and a Movement Control Order ("MCO") was imposed by the Government of Malaysia on 18 March 2020, which has subsequently entered into various phases of MCO to contain the spread of Covid-19.

Despite the MCO, the Group was able to continue its operations as an essential service provider. However, the Group has seen significant decrease in advertising spending due to the effects of Covid-19 and MCO.

Nevertheless, the Group saw an increase in traffic across its digital platforms during the MCO period and expects revenue growth from its digital segment despite soft and challenging market conditions. Therefore, the Group has continued to progress with its digital transformation initiatives to improve its costs and operational efficiencies. In March 2020, The Star Online launched its paywall as part of the Group's monetisation strategies to diversify revenue streams. Due to the standard operating procedures restrictions to combat the Covid-19 pandemic, the Group has executed a number of virtual fairs and events in place of the physical ones. The Group has also launched a number of new digital products and platforms to further reach out to the audiences.

In addition, the Group has embarked on various cost cutting measures and efforts are also being directed at restructuring some of the business units within the Group, which include manpower rationalisation and realignments.

Based on the assessment of the Group, there are impairment losses on property, plant and equipment and intangible assets of the Group amounting to RM1,757,000 and RM11,209,000 as disclosed in Notes 5 and 7 to the financial statements respectively. In addition, the Company recorded impairment losses on amounts owing by subsidiaries amounting to RM57,251,000 as disclosed in Note 12 to the financial statements.

Other than those impairment losses as stated above, there is no significant impact arising from the Covid-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial year ended 31 December 2020. The Group will continue to assess the impact of the Covid-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2021, such as lease modifications, expected credit losses of financial assets, write down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment, investment properties, intangible assets, right-of-use assets and investments in subsidiaries).

As at the date of authorisation of the financial statements, the Covid-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the Covid-19 pandemic. However, the Board is confident that the Group is well positioned to weather through these unprecedented challenges in view of its strong financial position.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2020

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	768	1983#
No. 26A, Randolph Avenue London W9 1BL United Kingdom	Leasehold Expiry: 2086	1,481 sq. ft.	2-storey semi-detached house	60	659	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 warehouse	23	7,236	1995
		39,528 sq. ft.	Warehouse 1			1998
		39,600 sq. ft.	Warehouse 2			2004
Menara Star 15, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Freehold	165,000 sq. ft.	17-storey tower block	20	33,673	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	20	27,862	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	Office building and plant	19	16,629	2002
Lot 9, First Floor Block B, Lintas Square, Luyang, 88300 Kota Kinabalu Sabah	Leasehold Expiry: 2996	1,210 sq. ft.	1st floor of an office block	22	157	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 4147 Lot 26197 (GM 612 Lot 6036) Mukim Bentong, Pahang Darul Makmur	Freehold	0.3676 hectare	Vacant agriculture land	N/A	1,032	2000
Lot No. 60 Mukim Tanah Rata Bintang Cottage A38 Jalan Pekeliling Padang Golf, Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur	Leasehold Expiry: 2118	5,610 sq. metres	Land with a single storey detached house	Pre-war	1,229	2002

Location	Tenure	Size	Description	Approximate age of buildings (years)	Net book value RM'000	Year of Acquisition/ Last Revaluation#
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	17	1,631	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	45	1,713	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	16	3,093	2004
No.8 & 10, Lorong Chung Thye Phin 30250 Ipoh Perak Darul Ridzuan	Freehold	1,622 sq. metres	Commercial land	N/A	1,373	2005
	Freehold	1,972 sq. metres	Office building	10	3,882	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	14	629	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	12	2,172	2009
TOTAL					149,106	

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2021

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	: 11,377

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	% of Issued Shares
Less than 100	81	0.712	1,634	0.000
100 - 1,000	1,648	14.485	1,358,080	0.187
1,001 - 10,000	6,050	53.177	29,964,756	4.135
10,001 - 100,000	3,087	27.134	106,246,128	14.659
100,001 - 36,238,244 *	509	4.474	218,452,544	30.141
36,238,244 and above **	2	0.018	368,741,760	50.878
Total	11,377	100.000	724,764,902[^]	100.000

Notes:

* Less than 5% of issued share

** 5% and above of issued share

[^] Excludes 13,798,700 Ordinary Shares bought back by the Company and held as treasury shares

SUBSTANTIAL SHAREHOLDERS (HOLDING 5% AND ABOVE)

(As per Register of Substantial Shareholders as at 31 March 2021)

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	43.230	4,851,500 ⁱ	0.669
2.	AmanahRaya Trustees Bhd Amanah Saham Bumiputera	55,426,000	7.647	–	–

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 INTEREST IN THE COMPANY

(As per Register of Directors' Shareholdings as at 31 March 2021)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Tan Sri Dato' Seri Chor Chee Heung	750,000	0.103	–	–
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	43.230
2.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	55,426,000	7.647
3.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	12,663,200	1.747
4.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Deva Dassan Solomon (8041850)	5,885,900	0.812
5.	Huaren Holdings Sdn. Bhd.	4,651,500	0.642
6.	Citigroup Nominees (Asing) Sdn. Bhd. CEP for M.M. Warburg & Co Luxembourg SA	4,293,600	0.592
7.	Wong Soo Chai @ Wong Chick Wai	4,189,900	0.578
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Kong Yee Wong	4,067,000	0.561
9.	Cheah Fook Ling	3,628,700	0.501
10.	Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Deva Dassan Solomon (M)	3,244,100	0.448
11.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Chee Chuen (MY3671)	2,835,000	0.391
12.	Koperasi Jayadiri Malaysia Berhad	2,334,000	0.322
13.	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH)	2,305,200	0.318
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Bernadette Jeanne De Souza (003)	2,240,100	0.309
15.	Teo Lam Hoo	2,000,000	0.276
16.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,938,800	0.268
17.	Palaniappan @ Mohan A/L PL Chockalingam	1,800,000	0.248
18.	LGB Engineering Sdn. Bhd.	1,683,600	0.232
19.	Lee Pui Seng	1,630,000	0.225
20.	Lai Tek Kean	1,510,000	0.208
21.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Ching Chee (MY0605)	1,500,000	0.207
22.	M&A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Sarah Pauline A/P Melkees (M&A)	1,500,000	0.207
23.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd (SFS)	1,480,400	0.204
24.	Tengku Nerang Putra	1,466,144	0.202
25.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Inbamanay A/P M J Arumanayagam (8061712)	1,363,900	0.188
26.	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa	1,350,000	0.186
27.	Dato' Ho Kam Phaw	1,300,000	0.179
28.	Ng Tiong Seng Corporation Sdn. Bhd.	1,250,000	0.172
29.	Shanthakumar A/L Santhalingam	1,237,700	0.171
30.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Gaik Suan	1,217,600	0.168
Total		445,308,104	61.439

* Excludes 13,798,700 Ordinary Shares bought back by the Company and held as treasury shares

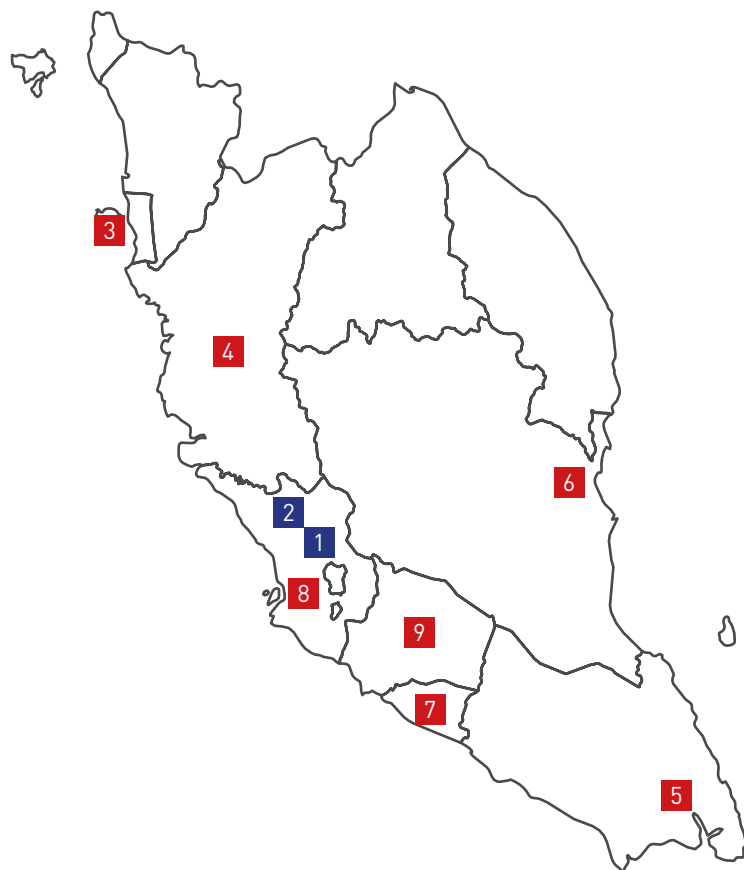
CORPORATE DIRECTORY

STAR OFFICES

1. **Menara Star**
15, Jalan 16/11
46350 Petaling Jaya
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Tel : +603 7967 1388
Fax : +603 7954 1606
Customer Service Hotline:
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2. **Star Media Hub**
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Selangor Darul Ehsan
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BUREAUS

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Fax : +604 261 1410
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5. **Johor Bahru**
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Presint 9
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9. Seremban

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Negeri Sembilan Darul Khusus
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10. Sabah

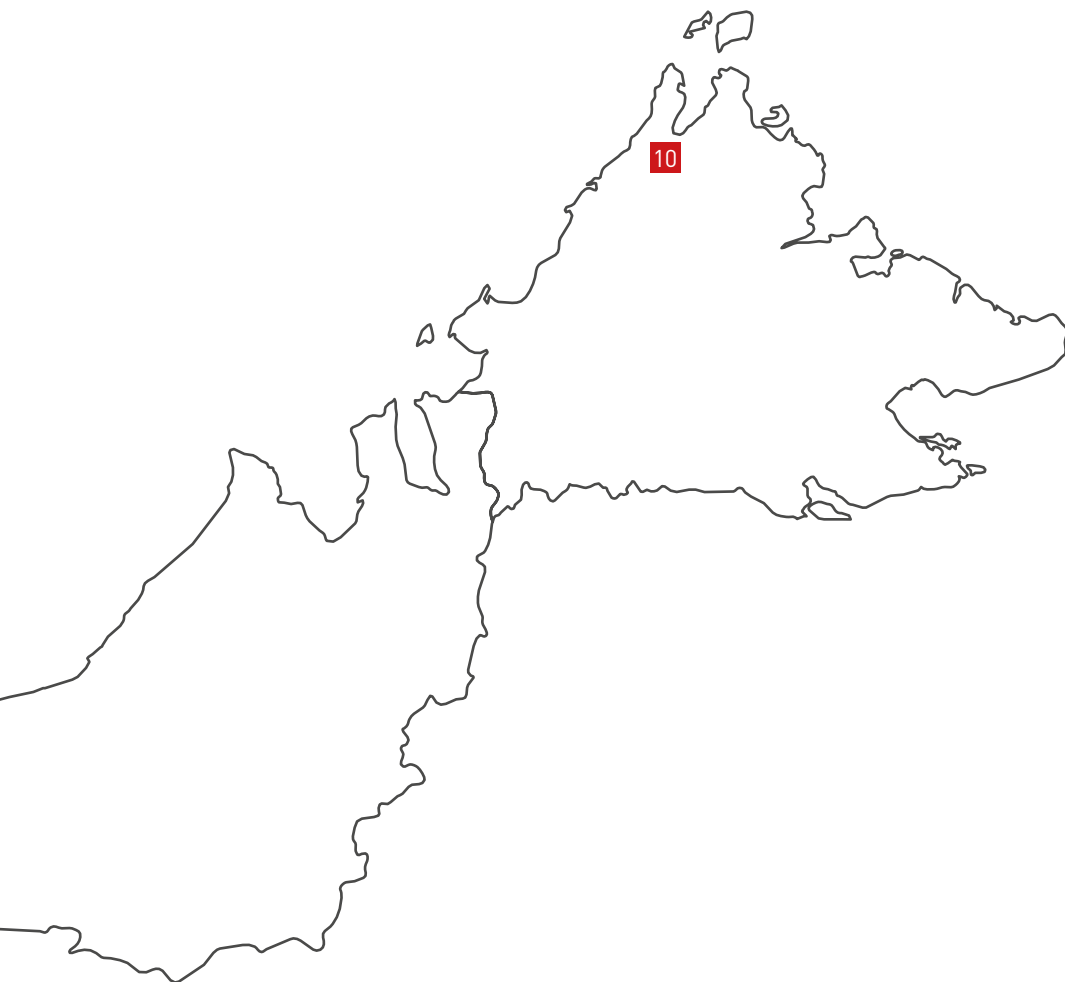
Lot 9, 1st Floor, Block B,
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Sabah
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11. Sarawak

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OVERSEAS BUREAU**12. China**

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Fax : +86-10-858 03711



PROXY FORM 49th 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 49th Annual General Meeting of the Company to be conducted through live streaming from the Broadcast Venue at Cyberhub, Level 2, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on **Monday, 24 May 2021 at 10.00 a.m.** and at any adjournment thereof.

Please indicate with an "X" in the spaces below as to how you wish your votes to be cast 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.	Resolutions	FOR	AGAINST
1.	Re-election of Dato' Dr. Mohd Aminuddin Bin Mohd Rouse		
2.	Re-election of Mr. Choong Tuck Oon		
3.	Re-election of Tan Sri Dato' Seri Chor Chee Heung		
4.	Approval of the payment of Directors' fees for the financial year ended 31 December 2020		
5.	Approval of the payment of Directors' fees for the financial year ending 31 December 2021		
6.	Approval of the payment of Directors' benefits		
7.	Re-appointment of Messrs. BDO PLT as Auditors		
8.	Authority to allot shares pursuant to the Companies Act 2016		
9.	Approval of the proposed renewal of share buy-back authority		

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage (%)
Proxy 1		
Proxy 2		
Total		100%

Dated this _____ day _____ of 2021

Notes:

Virtual AGM

- The 49th AGM of the Company will be conducted **on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV")** facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIH Online website at <https://tihih.online>. Please refer to the Administrative Guide for the 49th AGM for the procedures to register, participate and vote remotely via the RPV facilities.
- For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. **Members/proxies from the public will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.** If a member is not able to attend the AGM via RPV facilities, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Proxy

- A member entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. 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.
- If there is no indication as to how a member wishes his/her vote to be cast, the proxy will vote or abstain from voting at his/ her discretion. In the event a member duly executes the Proxy Form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy.
- 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.

Signature/Common Seal of Member

Notes: (cont'd.)

- vii) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the meeting or any adjournment thereof. In default, the instrument of proxy shall not be treated as valid:

In hard copy form

The Proxy Form shall be deposited at the Share Registrar's Office, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

By electronic means

The Proxy Form can be electronically lodged via Tricor's TIH Online website at <https://tiah.online>. Kindly refer to the Administrative Guide for the 49th AGM on the procedure for electronic lodgement of the Proxy Form via TIH Online.

- viii) Last date and time for lodging the Proxy Form is **Saturday, 22 May 2021 at 10.00 a.m.**
- ix) Only members whose names appear in the General Meeting Record of Depositors on **17 May 2021** shall be entitled to participate and/or vote at the 49th AGM or appoint proxy(ies) to participate and/vote on his/her behalf.

Personal Data Privacy

- x) By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the shareholder of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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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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