



50

*YEARS OF SHAPING THE
NATION TOGETHER*



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RATIONALE

The cover design highlights our 50th Anniversary with the tagline “50 Years Of Shaping The Nation Together”. With its striking golden foil finishing, the cover symbolises our continuous mission to enrich lives, cultivate strong communities and contribute towards nation building. The specific light and contrasting hues used for our logo and tagline present Star Media Group as a dynamic media organisation, set apart from others in the industry by its aspirations and ambitions. The delicately positioned golden lines and icons in the design represent our continuous strive to excel in all our avenues moving forward.

VISION

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

**SOAR TO GREATER
HEIGHTS**

**MAKE A DIFFERENCE
ALWAYS**

GROW THE RIGHT WAY

MISSION

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

INFORM

INSPIRE

INNOVATE

AT A GLANCE



TheStar
people's paper

2.83 million
print readership

*Source: Nielsen Consumer and Media View,
read past week (Jan - Dec 2021)*

TheStar

50.4 million
monthly average pageviews

8.27 million
monthly average users

4.64 million
social media followers

*Source: Google Analytics (Jan - Dec 2021),
Native Platforms*

SURIA

3.09 million
weekly listeners

4.34 million
monthly average digital streams

270.56 million
video views

*Source: GfK Radio Audience Measurement (RAM), Wave 2 2021
RADIOactive + Triton (Jan - Dec 2021)
YouTube Analytics & Facebook Insights (Jan-Dec 2021)
Google Analytics 360 (Jan-Dec 2021)*

3.94 million
monthly average pageviews

2.52 million
social media followers

1.24 million
app downloads



air



988

2.02 million
weekly listeners

1.57 million
monthly average digital streams

2.63 million
video views

1.23 million
monthly average pageviews

1.22 million
social media followers

174,000
app downloads

Star
urban versatil

24.5 million
monthly average pageviews

7.42 million
monthly average users

3.74 million
social media followers

*Source: Google Analytics (Jan – Dec 2021),
Native Platforms*

67
on-ground and virtual events

Engaging over
320,670
Malaysians

*Source: GfK Radio Audience Measurement (RAM), Wave 2 2021
Triton Digital (Jan - Dec 2021)
YouTube Analytics & Facebook Insights (Jan - Dec 2021)
Google Analytics 360 (Jan - Dec 2021)*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fiftieth (50th) 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 (“Broadcast Venue”) on **Monday, 23 May 2022 at 10.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors’ and Auditors’ Reports thereon.

Please refer to Explanatory Note 1

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

- (i) Tan Sri Dato’ Sri Kuan Peng Ching @ Kuan Peng Soon
- (ii) Mr. Chan Seng Fatt
- (iii) Mr. Loh Chee Can

Ordinary Resolution 1
Ordinary Resolution 2
Ordinary Resolution 3

Please refer to Explanatory Note 2

3. To approve the increase in directors’ fees payable to the Non-Executive Directors of the Company for the period commencing 1 January 2022 until the next AGM of the Company.

Ordinary Resolution 4

Please refer to Explanatory Note 3

4. To approve the payment of Non-Executive Directors’ benefits (excluding directors’ fees) of up to RM500,000 from the 50th AGM until the next AGM of the Company.

Ordinary Resolution 5

Please refer to Explanatory Note 4

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

Ordinary Resolution 6

Please refer to Explanatory Note 5

AS SPECIAL BUSINESS

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

6. **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 7

Please refer to Explanatory Note 6

7. **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 fund 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 8

Please refer to Explanatory Note 7

8. 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
22 April 2022

Explanatory Notes:

FOR ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2021 ("FY2021")

The Audited Financial Statements for FY2021 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 to 3 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.

Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon, Mr. Chan Seng Fatt and Mr. Loh Chee Can are standing for re-election as Directors and being eligible, have offered themselves for re-election. Please refer to page 24 to page 27 in the Annual Report for the Directors' profile.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 50th AGM, the Board through the Nomination Committee had assessed each retiring Director and considered the Director's experience, expertise, competency, commitment and individual contribution by continuously performing his duties diligently as Director of the Company.

The Board has recommended the re-election of the abovementioned Directors, subject to shareholders' approval at the AGM.

All Directors standing for re-election under Clause 116 of the Constitution of the Company have abstained from deliberations and decisions on their own eligibility to stand for re-election at the board meeting. Any Director who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 50th AGM.

3. Ordinary Resolutions 4 and 5 Proposed Payment of Non-Executive Directors' ("NEDs") Fees and Benefits

Section 230(1) of the Companies Act 2016 provides that amongst others, the fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at the 50th AGM

for the payment of fees and benefits to the NEDs of the Company under Resolutions 4 and 5 as follows:

- i) **Ordinary Resolution 4** on the payment of directors' fees to the NEDs (including Independent Directors) for the period commencing 1 January 2022 until the next AGM of the Company.
- ii) **Ordinary Resolution 5** on the payment of benefits (excluding directors' fees) to the NEDs of up to an amount of RM500,000 from the 50th AGM until next AGM of the Company.

3.1 Ordinary Resolution 4 on the directors' fees payable to the NEDs

At the 49th AGM held on 24 May 2021, shareholders approved the payment of directors' fees of RM700,000 for the FY2021. The actual fees paid to the NEDs for FY2021 amounted to RM651,000 and the details of individual NED total fees are provided in the Corporate Governance Overview Statement in the Annual Report.

The Remuneration Committee ("RC") of the Company is responsible to conduct periodic reviews of the Board remuneration policy to ensure that the NEDs are remunerated at an appropriate level for their commitment to the Company and to attract and retain high calibre and experienced individuals to oversee the Company's business and development. In performing the duties as required under its Terms of Reference, the RC had in February 2022 reviewed the remuneration of the NEDs.

The Board subsequently approved the RC's recommendation in respect of the fees payable to the NEDs to be increased by 10% commencing from 1 January 2022 until the next AGM of the Company as set out below:

| Directors' fees per person | As approved at the 49 th AGM | | New approval to be sought at the 50 th AGM | |
|------------------------------------|---|----------------|---|----------------|
| | Per Month (RM) | Per Annum (RM) | Per Month (RM) | Per Annum (RM) |
| Independent Non-Executive Chairman | 16,667 | 200,000 | 18,333 | 220,000 |
| NED | 6,250 | 75,000 | 6,875 | 82,500 |

Notice of Annual General Meeting (cont'd.)

The Board is of the view that it is fair and equitable that the directors' fees be revised upon considering the following:

- a) The last revision to the directors' fees was undertaken more than ten (10) years ago in 2010 and in view of the increased NEDs' responsibilities over the past years.
- b) The above proposal was made upon benchmarking against peer companies.
- c) The Directors took a voluntary 10% fee reduction (from 1 January 2020) for FY2020 to demonstrate support of company-wide Covid-19 cost-cutting measures before the fees were reinstated in FY2021.

Resolution 4, if passed will facilitate the payment of fees to the NEDs on a monthly basis or in such manner as the Board may determine, upon the Directors discharging their responsibilities and rendering their services to the Company. The aforesaid increase in directors' fees shall continue to be in force until varied by resolution passed by the shareholders in a general meeting.

3.2 Ordinary Resolution 5 on the payment of benefits (excluding directors' fees) to the NEDs

The proposed benefits payable applicable to the NEDs remain unchanged as per the benefits approved at the 49th AGM of the Company held on 24 May 2021, which comprise Board Committee allowance and meeting fees as set out below, golf membership as well as claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors.

| Description | Chairman | Member |
|--|----------|----------|
| Board Committee allowance (per annum) | | |
| Audit Committee | RM30,000 | RM23,000 |
| Nomination Committee | RM18,000 | RM13,000 |
| Remuneration Committee | RM22,000 | RM17,000 |
| Strategy & Investment Committee | RM18,000 | RM13,000 |
| Meeting allowance (per attendance) | | |
| Board | RM1,500 | RM1,500 |
| Board Committees | RM1,000 | RM1,000 |

Note: The Group Chief Executive Officer does not receive any Directors' remuneration including the above allowances.

In determining the estimated benefits payable, the Board has considered various factors including the number of anticipated Board and Committee meetings, assuming all full attendance by all of the NEDs. Resolution 5, if passed, will facilitate the payment of Directors' benefits on a monthly basis and/or as and when required after the Directors have rendered their services to the Company. In the event that the amount proposed is insufficient, approval will be sought at the next AGM in 2023 for the shortfall.

- 3.3 The NEDs who are shareholders of the Company will abstain from voting on Resolutions 4 and 5.

4. Ordinary Resolution 6 Proposed Re-appointment of Auditors

The Audit Committee ("AC") had undertaken an annual review of the suitability, effectiveness of the external audit process, performance and independence of the External Auditors, BDO PLT as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The AC has also considered the Annual Transparency Report provided by BDO PLT in assessing its suitability as the Company's Auditors.

The Board, with the concurrence of the AC, is satisfied with the suitability of BDO PLT based on the quality of service, adequacy of resources provided, independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions. The Board had at its meeting held on 22 February 2022 approved the recommendation of the AC to seek shareholders' approval on the re-appointment of BDO PLT as auditors of the Company to hold office until the conclusion of the next AGM. The re-appointment of BDO PLT as the Auditors of the Company is subject to the approval of the shareholders at the 50th AGM.

FOR SPECIAL BUSINESS

5. Ordinary Resolution 7 Proposed Authority to Issue Shares pursuant to the Companies Act 2016

Ordinary Resolution 7 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 had during the 49th AGM held on 24 May 2021 obtained its shareholders' approval for the General Mandate. No share was issued pursuant to the General Mandate as at the date of this Notice.

6. Ordinary Resolution 8 Proposed Renewal of Authority for Star Media Group Berhad to Purchase its own Ordinary Shares

Ordinary Resolution 8, 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.

Shareholders' approval for the proposed renewal does not impose an obligation on the Company to purchase its own shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned period subject to the compliance with the provisions of the Act and the requirements of Bursa Securities and/or any other relevant authorities.

Please refer to the Share Buy-Back Statement dated 22 April 2022 for further information.

Notes:

Entitlement to participate and vote

- (a) Only members whose names appear in the General Meeting Record of Depositors on **17 May 2022** shall be entitled to participate and/or vote at the 50th AGM or appoint proxy(ies) to participate and/vote on his/her behalf.

Virtual AGM

- (b) The 50th AGM of the Company will be conducted **on a virtual basis by way of live streaming and online remote voting** via Remote Participation and Voting ("RPV") facilities which will be made available on the online portal of Tricor Investor & Issuing House Services Sdn Bhd at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781). Please refer to the Administrative Guide for the 50th AGM for the procedures to register, participate and vote remotely via the RPV facilities.
- (c) 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 Broadcast Venue of the AGM. **Members/Proxies/Corporate Representatives 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.

Appointment of Proxy

- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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.

Notice of Annual General Meeting (cont'd.)

- (h) The Proxy Form must be submitted in the following manner. In default, the Proxy Form 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; or

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 50th AGM on the procedure for electronic lodgement of the Proxy Form via TIIH Online.

in each case by **Saturday, 21 May 2022 at 10.00 a.m.** being not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

Personal Data Privacy

- (i) 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 2021 to 31 DECEMBER 2021

ANNOUNCEMENT OF 2021 PRELIMINARY RESULTS

1
**FIRST
QUARTER**

announced
25 May 2021

2
**SECOND
QUARTER**

announced
26 August 2021

3
**THIRD
QUARTER**

announced
18 November 2021

4
**FOURTH
QUARTER**

announced
28 February 2022

ISSUE OF 2021 ANNUAL REPORT

22 April 2022

ANNUAL GENERAL MEETING

23 May 2022

CORPORATE INFORMATION

[as of 31 March 2022]

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*

Chan Seng Fatt

*Independent
Non-Executive Director*

Choong Tuck Oon

*Independent
Non-Executive Director*

Wong You Fong

*Independent
Non-Executive Director*

Loh Chee Can

*Independent
Non-Executive Director*

AUDIT COMMITTEE

Chan Seng Fatt (*Chairman*)
Choong Tuck Oon
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Loh Chee Can

NOMINATION COMMITTEE

Tan Sri Dato' Sri Kuan Peng Ching @
Kuan Peng Soon (*Chairman*)
Wong You Fong
Chan Seng Fatt

REMUNERATION COMMITTEE

Tan Sri Dato' Seri Chor Chee Heung
(*Chairman*)
Tan Sri Dato' Sri Kuan Peng Ching @
Kuan Peng Soon
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Choong Tuck Oon

STRATEGY AND INVESTMENT COMMITTEE

Tan Sri Dato' Seri Chor Chee Heung
(*Chairman*)
Tan Sri Dato' Sri Kuan Peng Ching @
Kuan Peng Soon
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Chan Seng Fatt
Yeow Wai Siaw

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

HEAD OFFICE

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

AUDITORS

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

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

FORM OF LEGAL ENTITY

Incorporated on 23 July 1971 as a
private company limited by shares
under the Companies Act 1965 and
converted into a public company limited
by shares on 31 May 1972.

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: STAR
Stock Code : 6084
Sector : Telecommunications & Media

INVESTOR RELATIONS

Au Chen Sum
Group Chief Financial Officer
Tel : +603 – 7967 1388
Email : investor-relations@thestar.com.my

CORPORATE WEBSITE

www.starmediagroup.my

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

AS AT 31 DECEMBER

| | 2017 RM'000 | 2018 RM'000 | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | |
|---|------------------------|----------------------|----------------------|---------------------|----------------|---------|
| KEY BALANCE SHEET DATA | | | | | | |
| Total assets | 1,153,184 * | 946,699 | 973,590 | 927,998 | 762,425 | |
| Current liabilities | 250,422 * | 86,000 | 111,874 | 109,357 | 102,932 | |
| Total funds employed | 902,762 * | 860,699 | 861,716 | 818,641 | 659,493 | |
| Share capital | 738,564 * | 738,564 | 738,564 | 738,564 | 738,564 | |
| Shareholders' funds | 873,613 * | 832,282 | 818,465 | 779,752 | 647,173 | |
| OPERATING RESULT | | | | | | |
| Revenue | 469,189 * [Ⓐ] | 392,680 [Ⓐ] | 315,934 [Ⓐ] | 196,416 | 187,113 | |
| Profit/(Loss) before tax | 39,812 * | 8,936 | 14,643 | (16,528) | (149,730) | |
| Profit after tax attributable to shareholders | 77,620 * | 5,226 | 5,677 | (19,719) | (132,359) | |
| FINANCIAL RATIOS | | | | | | |
| Revenue growth | % | (17.4)* [Ⓐ] | (16.3) [Ⓐ] | (19.5) [Ⓐ] | (37.8) | (4.7) |
| Net earnings per share [#] | sen | 10.52* | 0.71 | 0.77 | (2.71) | (18.26) |
| Return on shareholders' funds | % | 8.9* | 0.6 | 0.7 | (2.5) | (20.5) |
| Dividend per share - Gross | sen | 42.0 | 3.0 | 2.0 | - | - |
| Net assets per share [^] | RM | 1.18* | 1.13 | 1.11 | 1.08 | 0.89 |

Computed based on adjusted weighted average number of ordinary shares.

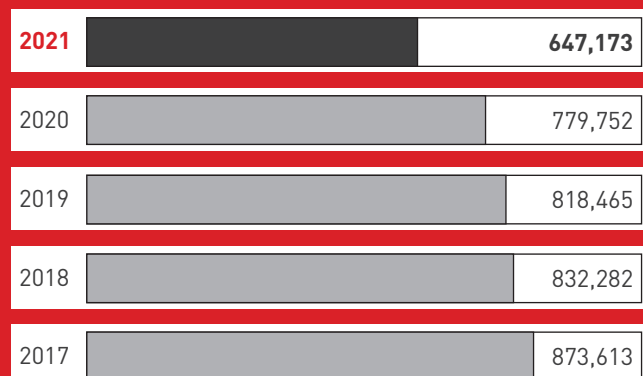
^ Computed based on net number of outstanding paid-up capital.

* excludes discontinued operations

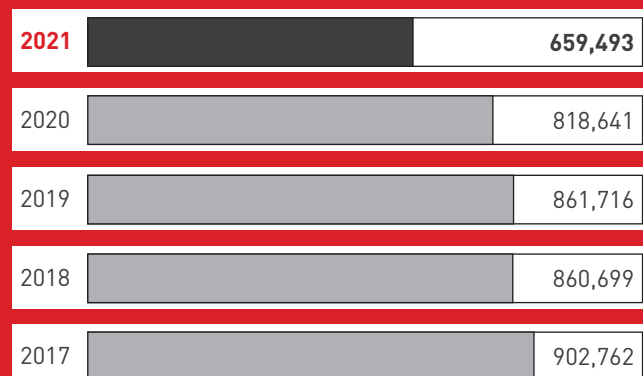
Ⓐ nett of agency commission due to MFRS15

Five-Year Group Financial Highlights (cont'd.)

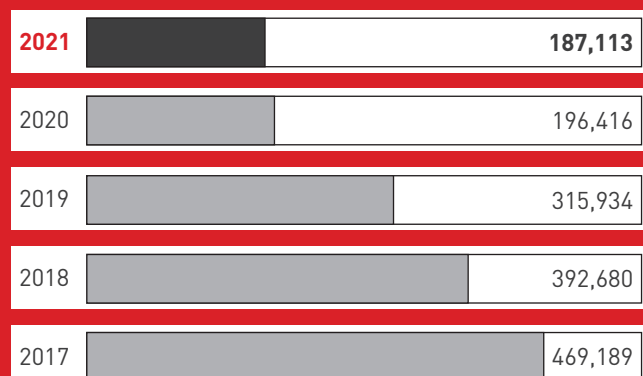
SHAREHOLDERS' FUNDS (RM'000)



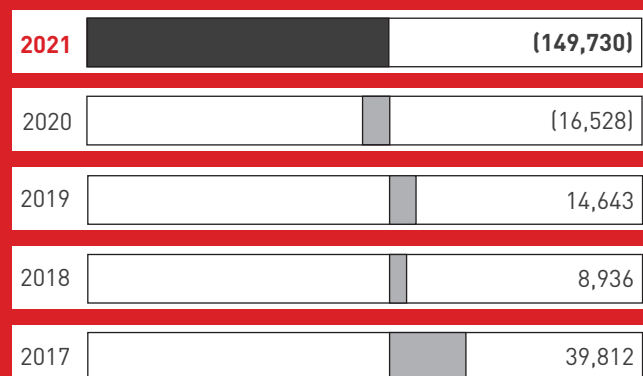
TOTAL FUNDS EMPLOYED (RM'000)



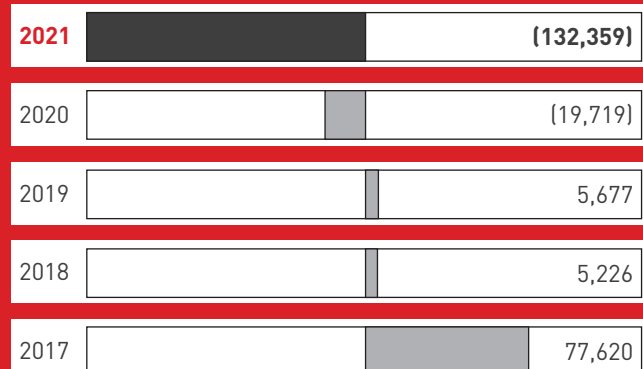
REVENUE (RM'000)



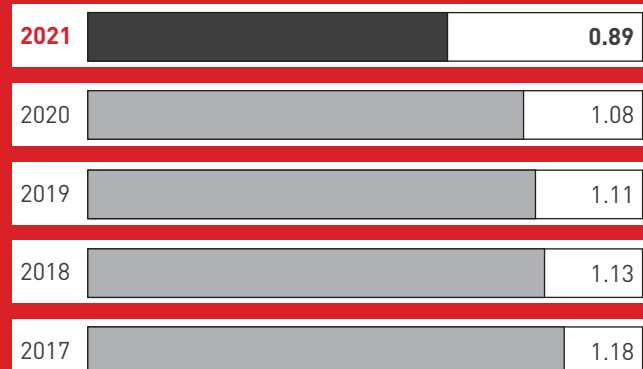
PROFIT/(LOSS) BEFORE TAX (RM'000)



PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS (RM'000)



NET ASSETS PER SHARE (RM)



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 2021 (“FY2021”).

CHAIRMAN'S STATEMENT

**TAN SRI DATO' SERI
CHOR CHEE HEUNG**

Chairman,
Independent Non-Executive Director



We have taken a proactive approach through financial prudence, operational efficiency, and a focus on improving productivity by staying agile and maintaining a constant lookout for opportunities.



CELEBRATING OUR GOLDEN JUBILEE

2021 marked a significant milestone in the Group's journey as we celebrated The Star's 50th anniversary. In the past five decades, there is much that we can be proud of. From a single product company, we became Star Media Group, the media powerhouse we are today. From The Star newspaper to radio stations 988, Suria, various digital platforms as well as our long-standing events and exhibitions, each of these have made their own mark in reaching millions of audiences locally and abroad.

Across all our platforms, we celebrated our core purpose of shaping the nation together with our readers, consumers and partners in a year-long campaign that encompassed paying homage to our legacy while embracing the future. Future details of the various campaign activities are presented in the Highlights section of this Annual Report.

At this juncture, we would like to thank our consumers, partners, and stakeholders for their immeasurable support and for being the driving force over the last 50 years, holding us accountable as we carry out our role as a leading media company.

In an industry where change is the only constant, Star Media Group will continue to adapt and seize opportunities, introduce new offerings, and rejuvenate familiar ones, to serve the needs of the nation while continuing to uphold The Star's gold standard of journalism.

PERFORMANCE AND RESULTS FOR FY2021

The Group has demonstrated resilience for the past year despite operating in the challenging Covid-19 environment. To overcome the difficult period, we have taken a proactive approach through financial prudence, operational efficiency, and a focus on improving productivity by staying agile and maintaining a constant lookout for opportunities. The Company has embarked on a number of new initiatives related to digital products and property during the year to diversify its revenue stream.

The Group's performance was impacted by the Covid-19 pandemic and various Movement Control Orders implemented by the Malaysian government. For the year under review, the Group's revenue declined by 4.7% to RM187.11 million. It has been a difficult but reasonably satisfactory year for the Digital and Radio segments which remained

resilient during this challenging period. With the gradual reopening of economic activities, the Group's performance started to pick up and recorded an encouraging recovery in the last quarter of the FY2021.

Despite decreased revenue, the Group managed to narrow its FY2021 loss before tax to RM22.58 million from RM54.10 million in FY2020 if the one-off items which include the reversal of compensation income of RM50.54 million as well as the impairment of assets of RM71.64 million were excluded. As a result, the Group incurred a loss after tax of RM132.43 million for the year under review.

A further review of the Group's financial performance is presented in the Financial Statements Sections within this Annual Report.

BUSINESS DEVELOPMENTS AND OPERATIONS

In the face of challenges and constant changes, the Group continued to seize opportunities to further improve our product offerings, expand our readership and advertiser reach. We also continue to grow our business beyond the print media through convergence of fast-



changing technologies and media platforms to reach out to the public more effectively and efficiently. This has been the direction of Star Media Group to diversify beyond print and to transcend borders, and we are committed to continue striving for it.

Star Media Group continues to play its role as the fourth estate as we remain steadfast in maintaining journalistic integrity and editorial quality in our commitment to providing readers with reliable and credible news and content. Testament to this is The Star maintaining its status as one of the most trusted sources of news in Malaysia among surveyed brands, according to the Reuters Institute Digital News Report 2021. Despite news being available from a variety of sources in today's digital and social media era, people ascribe a greater confidence in The Star for verified and trustworthy content.

There was steady growth in TheStar.com.my with 50.4 million monthly average pageviews and 8.3 million monthly average users in the year under review *(Source: Google Analytics)*. TheStar.com.my also garnered a total of 4.6 million followers

across its social media platforms. We are humbled by this support and will continue our ongoing efforts to improve content quality to meet the needs and wants of our sophisticated readers.

In line with the popular demand for The Star Digital Access since its launch in March 2020, an advertisement-free premium plan for the Digital Access membership was rolled out. The plan aims to give members an uninterrupted and seamless reading experience, along with full access to The Star via the website and mobile application. Our growth strategy was undergirded by concentrated efforts and initiatives in brand building and customer retention and innovation. In addition to an enhanced reading experience, subscribers to the one-year premium plan are eligible for a Gold StarTreats loyalty programme membership.

We continued to rationalise our printing operations in the face of digitalisation and the competitive landscape. Printing capacity was aligned with market demand in a move to improve cost efficiencies and operational efficiencies. Concerted efforts have been put in place via improvements to printing plant efficiencies and effective cost containment measures.

There was steady growth in TheStar.com.my with 50.4 million monthly average pageviews and 8.3 million monthly average users in the year under review.

mStar

 **31.5mil**
pageviews

Bahasa Malaysia portal mStar has had significant growth in the Malay target segment. (Source: Google Analytics (Jan - Dec 2021))

 **6.7mil**
likes

(Source: TikTok/ByteDance)

Chairman's Statement (cont'd.)

The focused efforts in providing engaging content on our Bahasa Malaysia portal mStar have resulted in significant growth in the Malay target segment which recorded the highest pageviews and unique visitors of all time since its inception, peaking at 31.5 million and 8.9 million respectively in August 2021 (*Source: Google Analytics mStar 2021*). It maintained the pole position as Malaysia's No. 1 Entertainment and Lifestyle Portal. Other remarkable achievements included its TikTok followers of over 489,000 as of February 2022 which garnered 6.7 million likes since launch (*Source: TikTok/ByteDance*). To complement its offerings, mStar also introduced a new e-sport segment that features local e-sports news and updates.

Never resting on our laurels, last year saw the launch of Majoriti, a new Bahasa Malaysia news portal. With its tagline "Refleksi Tanpa Prejudis" (Reflection Without Prejudice), Majoriti's manifesto revolves around providing unbiased news and views to the public. To-date, Majoriti has embarked on teaming up with a variety of partners to expand on each other's offerings and to bring added value to our combined consumer bases.

Our radio stations, 988 and Suria continued to add dynamism to the Group by providing quality and relevant programming via different platforms to promote listener loyalty and make inroads to win market share.

988 remains as one of the top Chinese Radio Stations in the country. According to GfK Radio Audio Measurement (RAM) Survey for Wave 2 2021, 988's weekly cumulative audience has reached 2.02 million with the greatest number of listeners from the northern region while the southern region captured the highest time spent listening.

Suria celebrated its 14th anniversary in 2021 and maintained its spot as one

of the top four Malay radio stations in Malaysia. A testimony to its tireless efforts to improve performance and listenership, Suria has garnered more than 3 million weekly listenership according to GfK RAM Survey for Wave 2 2021. I am also proud to share that Suria's DJ Lin has been awarded the prestigious Berita Harian's Anugerah Bintang Popular 2021 for the Most Popular Radio Presenter award for the fourth time since 2015.

Both radio stations also continue to grow their digital radio streams markedly in FY2021 by implementing breakthrough ideas. The revenue and audience reach for both radio teams improved in the year under review, clearly indicating that they are on the right track in meeting the needs of advertisers and listeners.

The events segment continued to find ways to contribute revenue via virtual events given the restrictions on physical events. Adapting to the way businesses operate amidst changing consumer habits, we leveraged on technology and the team's expertise and creativity to carry out events successfully in the year under review. Some notable virtual events include the flagship #digitalXdata 2021, a 2-day live virtual conference dedicated to enabling digitally-powered Malaysian businesses accelerate growth in the new Malaysia 5.0 digital economy. This event also served to drive innovative change in building a human-centered nation powered by disruptive technologies.

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

BUSINESS CONTINUITY IN THE PANDEMIC

The pandemic reinforces the importance of paying close attention to the broader issue of sustainability and corporate

responsibility in business. It is important that we have liquidity and resources to deal with the uncertainty, and the capacity to continue investing in transformation to secure our future.

One of the effects of the pandemic included the spread of misinformation, which was rampant across the digital sphere. To ensure that we deliver on sharing credible and reliable news and information, the Group continues to sharpen its communication strategies and leverage on its various platforms across print, digital and radio to keep people safe, informed and connected.

Technology and digitalisation also help boost our productivity, compliance, and resilience. The Board and its committees have moved their meetings to be either online meetings or a hybrid of both online and physical meetings. In May 2021, we held our second virtual Annual General Meeting via a live webcast. Remote working arrangements were seamlessly integrated into workflows with collaborations and connections through cloud-based sharing platforms, telecommuting and virtual meetings.



Across the organisation, we deepened our risk culture, and the Group had completed its first phase of cybersecurity assessment and implemented relevant action plans to safeguard its digital assets.

In the fight against the Covid-19 pandemic, we are immensely grateful to healthcare professionals and support staff who have devoted themselves to keeping our communities safe via the effective rollout of Covid-19 vaccination programmes.

The safety and health of our people remain fundamental within the organisation. The Group has adopted measures to maintain a safe and healthy environment in office while gradually resuming its normal activities with strict adherence to the relevant standard operating procedures. With the gradual return of many of our employees to offices, we reconfigured working arrangements and implemented a slew of safe management measures to keep everyone safe.

A HOLISTIC JOURNEY TOWARDS SUSTAINABILITY

Sustainability has emerged as more than just a buzzword for businesses all over the world, further amplified by the unexpected pandemic crisis and challenges presented. As a vigilant organisation, we are constantly cognisant of the importance of staying two steps ahead in our efforts to protect the continuity and sustainability of our business operations.

Our mandate of serving the nation with timely, truthful, and insightful content and services is further emphasised through the formation of the Media in Arms alliance between four local media organisations, including The Star, that aims to drive greater awareness on issues that matter. A first in Malaysian history, this media alliance works

together to feature detailed and multi-perspective reports on key issues related to national, social and public interests.

Despite the uncertain economic climate, the Group remains committed towards making a meaningful impact to society. Through our charity arm Star Foundation, we continued our charitable efforts by channelling donations towards various charitable causes and funding medical surgeries for needy and ill children.

Star Foundation also launched the Star Social Impact Grant to partner with non-profit organisations and social enterprises in carrying out impact-driven and sustainable social projects.

Throughout our business, the Group is committed to continually and holistically strategising and implementing initiatives, projects and best practices in tandem with the present economic, environmental and social landscape.

To this end, we are humbled to remain a constituent of FTSE4Good Bursa Malaysia Index (F4GBM) since 2020, serving as an apt reflection of our steadfast commitment towards sustainability. The Group is also a proud member of the CEO Action Network, a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action and performance.

Our sustainability strategies, initiatives and progress in 2021 are covered in the Sustainability Statement in this Annual Report.

OUTLOOK

As we position our business for the future while managing economic and operational challenges, I am encouraged by the agility and resilience of our business and the responses

we have put in place. We will continue to drive innovation to pursue new revenue opportunities and achieve cost efficiencies to strengthen our leadership position. At the same time, we will remain vigilant and resilient as we cautiously explore new initiatives that can contribute to the Group's growth in a sustainable manner.

Transformation is an ongoing process which needs to be entrenched in our people's mindsets and across our operations in the years to come. Star Media Group will continue to place emphasis on nimbly and flexibly adapting to industry changes, to remain relevant in the competitive environment as we step up to the next phase of our growth.

I believe the Group will emerge from the pandemic a stronger business and well-positioned to capitalise on promising prospects in the long term.

ACKNOWLEDGEMENTS

50 years is a special milestone for any organisation. As we look back at what has been achieved by Star Media Group, it is also important to look ahead to ensure an even brighter future for the next 50 years and beyond.

On behalf of the Board, I would like to thank our readers, subscribers, customers, partners and business associates, our shareholders and all other stakeholders for the continued support and trust throughout the year.

My appreciation to fellow Directors and the Management team for your unwavering dedication and support, and to all employees for your commitment and resilience especially during these challenging times.

Tan Sri Dato' Seri Chor Chee Heung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

With the reopening of economic activities by the Government after multiple lockdowns to combat the Covid-19 pandemic, the Group's revenue has gradually improved since the last quarter of 2021.

REVIEW OF FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 31 December 2021 was RM187.11 million, a decline of 4.7% from RM196.42 million a year ago. The marginal decline was mainly due to the high base in the first quarter of 2020 as the Covid-19 pandemic and Movement Control Orders ("MCO") only started to kick in from March 2020. With the reopening of economic activities by the Government after multiple lockdowns to combat the Covid-19 pandemic, the Group's revenue has gradually improved since the last quarter of 2021, and we saw the Digital and Radio segments remain resilient during this challenging time, which recorded a double-digit increase in revenue in FY2021 as compared to last financial year.

The Group recorded a loss after tax of RM132.43 million in FY2021, as compared to a loss after tax of RM19.79 million in FY2020. The higher loss was mainly due to one-off items which include the reversal of compensation income of RM50.54 million as well as impairment of assets of RM71.64 million. Without these one-off items, the loss before tax of the Group would have been RM25.58 million in FY2021, which was lower than RM54.10 million in FY2020.

While print revenue continued to be under pressure, we saw very encouraging growth of 23% in digital revenue in FY2021, 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 establishing the Group as a multi-channel media group that enrich and ignites conversation with our audiences across all stages of life.

In line with the digital transformation of the Group, the radio segment's revenue has increased to RM25.66 million from RM20.27 million a year ago. Event and Exhibition segment's revenue declined from RM3.68 million in FY2020 to RM2.78 million in FY2021 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 2021 (2020: Nil).

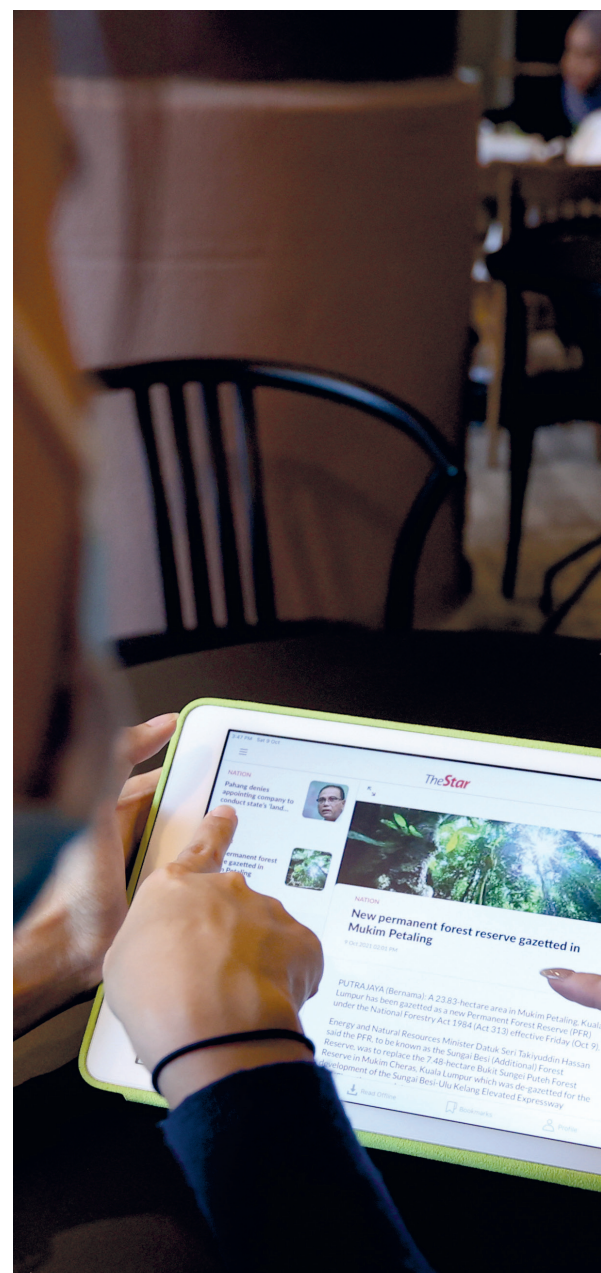
REVIEW OF OPERATIONS

PRINT

The Star

Despite the various challenges and unprecedented disruptions that have impacted the media industry, The Star has prevailed and continue to be one of Malaysia's leading English dailies.

The Star was ranked as the top English-language news portal in brand trust scores in Malaysia among surveyed



brands, according to the Reuters Institute Digital News Report 2021, an annual worldwide study of news trends. This indicates our role as a reliable point of reference in obtaining news and coverage on issues occurring in and out of Malaysia.

The Group has won several awards such as Best Paid Content Strategy by WAN-IFRA Digital Media Awards Asia 2021,

Gold for the Media and Entertainment category at the 2021 Putra Brand Awards and Excellent Multimedia Journalism Awards from the Malaysian Press Institute Petronas Malaysian Journalism Awards 2021.

Kuntum

In the times of the pandemic, Kuntum has developed and released its application on mobile to enable readership despite the MCO that left students learning from home.

Kuntum also launched e-Kelas to bring e-Kuntum to students across Malaysia as part of the teaching materials for online-based learning due to the closure of schools.

DIGITAL

With the introduction of The Star Digital Access last year, Star Media Group has also launched an advertisement-free premium membership to The Star Digital Access in FY2021.

Further capitalising on the digital space, Star Media Group has further utilised the various products' developed applications and social media to reach the audiences of the various products' services and events.



A new Bahasa Malaysia news portal focused on providing reports on current affairs, Majoriti was launched to bring added value to its customers together with its strategic partners.

With the tagline of 'Refleksi Tanpa Prejudis', Majoriti's manifesto revolves around providing unbiased news and views to the members of the public.

Majoriti is embarking on teaming up with a diversity of partners to expand on each other's exclusive offerings to their customers.

Capitalising on the digital space, Star Media Group has further utilised the various products' developed applications and social media to reach the audiences of our various products, services and events.

Management Discussion and Analysis (cont'd.)

mStar

Entering the 16th year, mStar continues to achieve greater heights as compared to its previous years.

In August 2021, mStar reached its highest number of pageviews and users at 31.5 million pageviews and 8.88 million users (Source: Google Analytics 2021).

mStar's digital presence is further amplified across its social media platforms where it amassed 3.7 million total followers. Some of its significant milestones include:

- Listed as one of the top 5 finalists in the Anugerah MeleTOP Era (AME 2020) under the category Program MeleTOP.
- Launched mStar's TikTok channel, currently with over 486,500 followers and 6.4 million "Likes".
- Released its very first song, "Apa Apa Rojer", being the only portal in Malaysia to have its own official song.

RADIO

988

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

The GfK Radio Audience Measurement Survey (RAM) Wave 2 2021 revealed that 988's weekly cumulative audience achieved 2.02 million, with the greatest number of listeners coming from the northern region while the southern region captures the highest 'Time Spend Listening'.

'Stand By You' hosted by Chrystina recorded the highest, with more than 900,000 listeners, of which exclusive audiences are as high as 625,000 and 'Time Spend Listening' of more than 2 hours. 988 Drama has also recorded an increase with 470,000 listeners of which exclusive listeners are more than 400,000.



Additionally, 988 has also launched its Chinese New Year Short Film, 'Good Days to Come', a Tiger year short film to usher in the Lunar New Year. The short film touches on how the pandemic has affected both businesses and our daily lives.

Suria

Suria celebrated its 14th anniversary in FY2021 and has maintained as one of the top 4 Malay radio stations in Malaysia. Suria has garnered more than 3 million weekly listenership according to the GfK Radio Audience Measurement Survey (RAM) Wave 2 2021 survey.

Suria DJ, DJ Lin, has brought home the prestigious Berita Harian's Anugerah Bintang Popular 2021 for Most Popular Radio Presenter award for the fourth time since 2015, a testament to her contribution and recognition amongst industry peers.

On the digital front, Suria recorded an increase in its digital radio streams to 4.34 million in 2021 as compared to 3.81 million in 2020.

In place of the annual Jelajah Suria on-ground event due to Covid-19 restrictions, Suria converted its signature event into a virtual concert,

Konsert Digital Jelajah Suria, featuring many popular artists. Suria has also launched Perarakan Merdeka Suria X KLSketchNation, the first fully-digital animated Merdeka parade.

EVENTS AND EXHIBITIONS

The pandemic has brought about a huge impact towards businesses across industries. On-ground events were severely affected with MCO restrictions, resulting in Star Media Group shifting its events and exhibitions onto the digital space. The Group continues to strive to bolster the segment with the reopening of economic activities, launching both on-ground as well as virtual events and exhibitions.

With the fast-paced and ever-changing technology, advertisers and marketers are able to further attract audiences through the various channels, especially new and younger demographics, which are one of the key users of today's technology.

Technological advances also indicate the urgent need for businesses to learn and adapt to the current market environment. This is shown in the participation rate of our virtual webinars focused on the topic of digital.

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

- #digitalXdata 2021 virtual conference, a 2-day conference revolving around the future of retail and customer experience and how to accelerate growth in the New Malaysia 5.0.
- Digital Financing conference is part of the group's #digitalXdata 2021 Road to Malaysia 5.0 event series that is dedicated to enabling digitally-powered businesses to accelerate growth in the nation's digital economy and, to drive innovative change among the society in building human-centred nation powered by disruptive technologies.

The Star Outstanding Business Awards ("SOBA") 2020 culminated with resounding success at its Gala Night, as it unveiled Malaysia's top-performing non-listed companies. While strictly adhering to the Covid-19 standard operating procedures, over 700 aspiring and inspiring entrepreneurs attended the event dressed to their finest as this was one of the very first ground events held after MCO was lifted.

Soon after, SOBA 2021 was then launched via a live virtual 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 (learn-aspire-build), with topics ranging from digitalisation, cash flow management, business opportunities and sustainability and how Budget 2022 can drive and assist SMEs during the pandemic.

Even after a long hiatus hampered by multiple rounds of MCO, 3 fairs were organised in 2021, drawing in over 15,000 visitors, a positive sign that the general public was adjusting to the new normal.

The fairs provided a vast catalogue of properties from landed to high-rise

properties and commercial lots offered by a curated list of distinguished property developers. Visitors and buyers were spoilt for choice, given the number of discounts and rebates available during the fairs.

The 6th installation of the StarProperty Awards 2021: Real Estate Developer was held in cyberspace for the second time, capitalising on the experience gained from last year's virtual event to create greater excitement and pomp in recognition of the outstanding winners in over 26 main and sub-categories. The star-studded gala made it live on StarProperty's Facebook page in October 2021 and drew over 17,000 views.

Perfect Livin continues to offer complete home solutions for homeowners all under one roof and successfully ran 4 home shows in both Klang Valley and Penang while adhering to strict standard operating procedures.

Perfect Livin with its revamped logo and brand identity remains competitive and resonates well in the Home Exhibition sphere while featuring more than 200 varied exhibitors with over 400 brands and attracting in total 60,000 visitors in 2021.

MOVING FORWARD

With the reopening of almost all economic sectors by the Government since the last quarter of 2021, the Malaysian economy is now on the recovery mode which is estimated to charter better growth for 2022.

The Group has continued to progress with its digital transformation initiatives to improve its cost and operational efficiencies. In view of rapid changes in media consumption trends, the Group will focus on sustaining its investment in the digital space and attracting digital revenue. This will be done by introducing new products and rejuvenating existing

ones to keep up with the changing market needs. The Group expects revenue growth from its digital segment to continue despite the 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.

As part of the Group's diversification strategies, the Group has initiated the venturing into property development in order to maximise the value of the land assets. Amid the challenging media industry landscape, the Group is also on the lookout for merger and acquisition opportunities as well as to 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

TAN SRI DATO' SERI CHOR CHEE HEUNG

Chairman, Independent Non-Executive Director

Nationality:
Malaysian

Age:
67

Gender:
Male



Date of Appointment

15 March 2021 (*Chairman since 15 March 2021*)

Length of Service

(as of 31 March 2022)
1 year 2 weeks

Date of Last Re-election

Re-elected 24 May 2021

Membership of Committee(s)

- ▶ Remuneration Committee (*Chairman*)
- ▶ Strategy and Investment 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 Issuer

- ▶ Nil

Public Company

- ▶ Star Foundation (non-profit organisation)

Work 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:
76

Gender:
Male



Date of Appointment

27 February 2014

Length of Service

(as of 31 March 2022)
8 years 1 month

Date of Last Re-election

Re-elected 15 May 2019

Membership of Committee(s)

- ▶ Nomination Committee (*Chairman*)
- ▶ Remuneration Committee (*Member*)
- ▶ Strategy and Investment 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 Issuer

- ▶ Fajarbaru Builder Group Berhad

Public Companies

- ▶ Star Foundation (non-profit organisation)
- ▶ Kojadi Skills Development Foundation (non-profit organisation)

Work Experience

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

DATO' DR. MOHD AMINUDDIN BIN MOHD ROUSE

Non-Independent Non-Executive Director

Nationality:
Malaysian

Age:
76

Gender:
Male



Date of Appointment
23 July 1997

Length of Service
(as of 31 March 2022)
24 years 8 months

Date of Last Re-election
Re-elected 24 May 2021

Membership of Committee(s)

- ▶ Audit Committee *(Member)*
- ▶ Remuneration Committee *(Member)*
- ▶ Strategy and Investment 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 Issuers

- ▶ Ajiya Berhad
- ▶ Tanco Holdings Berhad
- ▶ ManagePay Systems Berhad

Public Company

- ▶ Star Foundation (non-profit organisation)

Work 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 Trustgate Berhad and Group, and subsequently resigned on 31 July 2019.

MR. CHOONG TUCK OON

Independent Non-Executive Director

Nationality:
Malaysian

Age:
63

Gender:
Male



Date of Appointment
1 June 2017

Length of Service
(as of 31 March 2022)
4 years 10 months

Date of Last Re-election
Re-elected 24 May 2021

Membership of 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 Issuer

- ▶ Nil

Public Companies

- ▶ Credit Guarantee Corporation Malaysia Berhad
- ▶ FIDE (Financial Institutions Directors' Education) Forum

Work Experience

Mr. Choong specialises in technology, strategy and digital transformation and is currently active with digital ventures in ASEAN. His current and past Boards include financial institutions, Private Equity/Venture Capital and speciality advisory firms, across Malaysia, Singapore, Thailand, Indo-China, Netherlands and US.

Prior to serving on Boards, Mr. Choong was with Accenture for more than two (2) decades. He retired as Senior Partner in the Financial Services Asia-Pacific practice and has led technology transformations for domestic and global financial institutions across Asia; including national payments and various NGO initiatives. Prior to Accenture, he was with Petronas where he held different positions in various upstream and downstream functions.

Profiles of Directors (cont'd.)

MADAM WONG YOU FONG

Independent Non-Executive Director

Nationality:
Malaysian

Age:
50

Gender:
Female



Date of Last Re-election
Re-elected 22 June 2020

Work Experience

Madam Wong is a practicing lawyer with more than twenty-six (26) years' experience.

Membership of Committee(s)

- Nomination Committee (*Member*)

She is currently practicing under firm of Messrs. Wong You Fong & Associates.

Academic/Professional Qualification(s)

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

Present Directorship(s)

Listed Issuer

- Nil

Public Company

- Nil

Date of Appointment

1 June 2017

Length of Service

(as of 31 March 2022)

4 years 10 months

MR. CHAN SENG FATT

Independent Non-Executive Director

Nationality:
Malaysian

Age:
58

Gender:
Male



Date of Last Re-election

Re-elected 15 May 2019

Work 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.

Membership of Committee(s)

- Audit Committee (*Chairman*)
- Nomination Committee (*Member*)
- Strategy and Investment Committee (*Member*)

Academic/Professional Qualification(s)

- Chartered Accountant of the Malaysian Institute of Accountants

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.

Present Directorship(s)

Listed Issuers

- Fitters Diversified Berhad
- Salcon Berhad

Public Company

- Nil

Date of Appointment

11 August 2018

Length of Service

(as of 31 March 2022)

3 years 7 months

MR. LOH CHEE CAN

Independent Non-Executive Director

Nationality:
Malaysian

Age:
53

Gender:
Male



Date of Appointment

3 January 2019

Length of Service

(as of 31 March 2022)

3 years 3 months

Date of Last Re-election

Re-elected 15 May 2019

Membership of 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 Issuer

► Nil

Public Company

► Nil

Work 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.

Other information on Directors:

1. None of the Directors have any family relationship with any other Director and/or major shareholder of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any conviction for offences within the past five (5) years and any public sanction or penalty by the relevant regulatory bodies during the financial year other than traffic offences, if any.
4. Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 33 of this Annual Report.

PROFILES OF KEY MANAGEMENT

MR. YEOW WAI SIAW

Group Chief Executive Officer



Nationality:
Malaysian

Age:
57

Gender:
Male

Date of Appointment to Current Role

1 March 2021

Academic/Professional Qualification(s)

- ▶ Master in Business Administration (MBA) in Finance (Distinction), University of Hull, United Kingdom
- ▶ Bachelor of Industrial and Mechanical Engineering (First Class Honour), Universiti Teknologi Malaysia

Present Directorship(s)

Listed Issuer

- ▶ UEM Sunrise Berhad

Public Company

- ▶ Nil

Work 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. AU CHEN SUM

Group Chief Financial Officer



Nationality:
Malaysian

Age:
42

Gender:
Male

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 Issuer

- ▶ Nil

Public Company

- ▶ Nil

Work Experience

Mr. Au has more than nineteen (19) 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 programme, 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.

MS. ESTHER NG SEK YEE

Chief Content Officer



| | | |
|---------------------|-------------|----------------|
| Nationality: | Age: | Gender: |
| Malaysian | 53 | Female |

Date of Appointment to Current Role

1 May 2018

Academic/Professional Qualification(s)

- ▶ Bachelor of Arts (Honours), Universiti Kebangsaan Malaysia

Present Directorship(s)

Listed Issuer

- ▶ Nil

Public Company

- ▶ Nil

Work Experience

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

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

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

MS. WANG CHEN CHOO

Chief Revenue Officer



| | | |
|---------------------|-------------|----------------|
| Nationality: | Age: | Gender: |
| Malaysian | 50 | 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 Issuer

- ▶ Nil

Public Company

- ▶ Nil

Work Experience

Ms. Wang joined the Company in 2014 as a general manager in charge of direct clients. In May 2018, she was promoted to the Chief Revenue Officer. Since then, she has been instrumental in the transformation journey for Star Media Group, changing the sales approach of product based quotations to platform agnostics business solutions that cut across online to offline (O2O). In addition to Star Media Group, her portfolio has expanded to include subsidiaries such as StarProperty and iStar Ideas Factory since 2021.

Ms. Wang is a dedicated Sales and Marketing strategist with over twenty-six (26) years of experience in various industries spanning Fast-Moving Consumer Goods (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, such as Malaysia's first multi-party loyalty programme – BonusLink and brand development in various companies. Other accomplishments include turnarounds such as Parkson and Taylor's Education Group, and the successful introduction of a new business vertical – SMG Brand Studio.

Profiles of Key Management (cont'd.)

MR. TERENCE RAJ

Senior General Manager, Group People



Nationality:
Malaysian

Age:
48

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 Issuer

- Nil

Public Company

- Nil

Work 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.

Other information on Key Management:

1. None of the Key Management have any family relationship with any other Director and/or major shareholder of the Company.
2. None of the Key Management have any conflict of interest with the Company.
3. None of the Key Management have been convicted of any offence within the past five (5) years other than traffic offences (If any) or imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2021.
4. The Group Chief Executive Officer does not hold any shares in the Company.

MS. CHAI MING JYE

General Manager, Internal Audit



Nationality:
Malaysian

Age:
44

Gender:
Female

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 Issuer

- Nil

Public Company

- Nil

Work 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 2012, she was promoted to assume the role as Head of Internal Audit Department.

Given her twenty-one (21) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) and Management of Star Media Group Berhad (“Star” or “the Company”) are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

The Board is pleased to present this Corporate Governance Overview Statement (“CG Statement”) pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the financial year ended 31 December 2021 (“FY2021”) in respect of the following principles which are stipulated in the latest Malaysian Code on Corporate Governance 2021 (“MCCG”):

| | |
|-------------|--|
| Principle A | Board Leadership and Effectiveness; |
| Principle B | Effective Audit and Risk Management; and |
| Principle C | Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders |

The CG Statement shall be read together with the Corporate Governance Report (“CG Report”) 2021 which describes how the Company has applied the Corporate Governance practices during the year under review.

As of the date of this statement, the Company has adopted and applied all recommended practices in the MCCG with the exception of the following practices. Explanation on the departure from the said practices are provided in the CG Report 2021 which is available on the Company’s website at <https://www.starmediagroup.my/investors-relations/corporate-governance-report/>.

| Recommended Corporate Governance Practices in MCCG | |
|--|---|
| Practice 1.4 | The Chairman of the board should not be a member of the Audit Committee (“AC”), Nomination Committee (“NC”) or Remuneration Committee (“RC”) |
| Practice 5.8 | The NC is chaired by an Independent Director or the Senior Independent Director |
| Practice 5.9 | The board comprises at least 30% women directors |
| Practice 8.2 | The board discloses on a named basis the top five senior management’s remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. |

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board oversees the business performance and affairs of the Company and provides general guidance to Management. The Board is collectively responsible for charting the strategic direction and overseeing the conduct of the businesses of the Company and its subsidiaries (“the Group”) and ensuring the Group’s compliance with all laws and regulations as may be relevant to the business.

Board Charter

The Board is guided by its Charter which clearly sets out the purpose, composition, key roles and principal responsibilities as well as the internal procedural matters for the Board. The principal responsibilities of the Board are in line with that provided in the MCCG. The Board Charter is available on the Company’s website at <https://cdn.starmediagroup.my/board-charter/Star-Board-Charter.pdf>.

Corporate Governance Overview Statement (cont'd.)

Board Committees

The existing three (3) Board Committees set up by the Board to assist the Board to discharge its oversight function are AC, NC and RC. During the FY2021, the Board has set up a new committee comprising Board members and Group Chief Executive Officer ("GCEO") known as Strategy and Investment Committee ("SIC") to review the potential investments proposed by Management in line with the overall strategy, policies directions and guidelines set by the Board. All the Committees have been constituted with written Terms of Reference ("TOR") which clearly provide the relevant Committee's authorities, duties and operating procedures. The TORs of the Committee are reviewed periodically.

The Chairman of the respective Committee reports on the matters deliberated and recommendations made for the Board's consideration and final approval as the ultimate decision lies with the Board.

Separation of functions between the Chairman and GCEO

The roles of the Chairman and the GCEO are distinct and separate with a clear division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman of the Company is an Independent Non-Executive Director. He is responsible for leading the Board in its collective oversight of Management and ensure it functions effectively to meet the corporate objectives. The GCEO is appointed by the Board to implement the policies and strategies approved by the Board for the purposes of running the business and the day-to-day management of the Group. The GCEO is supported by the Executive Committee comprising C-Suites and Key Management Personnel that are tasked for key operating areas.

Board Meetings

Board meetings are held at least five (5) times annually to discuss the overall strategies, receive management updates, approve business plans as well as quarterly and annual financial results and to consider other relevant matters. It will hold ad-hoc meetings as and when warranted by particular circumstances. At these meetings, GCEO, Group Chief Financial Officer ("GCFO") and Senior Management also provide 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 circulated to the Board prior to the commencement of each new financial year to allow the Directors to plan ahead for their attendance.

There is a schedule of key matters reserved specifically for the Board deliberation and decision to ensure the direction and control of the Group are in its hands. The list of matters is provided in the Board Charter approved by 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. All Board Committee meetings are conducted separately from the Board meeting to enable objective and independent discussion during the meeting. Proceedings of all meetings, including issues discussed, decisions and conclusions including dissenting views made and whether any Director abstained from voting or deliberating on a particular matter at the Board/Board Committee meeting with required actions to be taken by responsible parties raised are documented in the minutes of meetings by the Company Secretary. Where appropriate, decisions may be taken by way of circular resolutions for matters which are administrative in nature.

During the financial year under review, the Board met ten (10) times. The details of the attendance of the Directors for FY2021 are set out below:

| Directors | Number of Board Meetings attended/held | Percentage of attendance (%) |
|--|--|------------------------------|
| Tan Sri Dato' Seri Chor Chee Heung <i>Chairman, Independent Non-Executive Director</i> <i>(Appointed on 15 March 2021)</i> | 8/8 | 100 |
| Tan Sri Dato' Sri Kuan Peng Soon <i>Deputy Chairman, Non-Independent Non-Executive Director</i> | 10/10 | 100 |
| Dato' Dr. Mohd Aminuddin bin Mohd Rouse <i>Non-Independent Non-Executive Director</i> | 10/10 | 100 |
| Mr. Choong Tuck Oon <i>Independent Non-Executive Director</i> | 8/10 | 80 |
| Madam Wong You Fong <i>Independent Non-Executive Director</i> | 10/10 | 100 |
| Mr. Chan Seng Fatt <i>Independent Non-Executive Director</i> | 10/10 | 100 |
| Mr. Loh Chee Can <i>Independent Non-Executive Director</i> | 10/10 | 100 |
| Dato' Fu Ah Kiow <i>Chairman, Independent Non-Executive Director</i> <i>(Resigned on 1 March 2021)</i> | 1/2 | 50 |

Access to Information

The Board emphasises on provision of timely and quality information by Management to facilitate effective deliberation and decision-making process. Board of Directors are provided with a structured agenda two (2) weeks in advance of the Board meeting with an indication to guide the Directors as to whether the matters are for approval, discussion or for notation purpose. Agenda papers will be furnished to the Directors at least five (5) market days before each meeting to enable them to be properly informed of matters to be discussed/approved. Board and Board Committee papers are provided electronically and can be accessed via tablet devices. Board and Board Committee papers contain both regular items such as reports of the Group, updates on business developments as well as matters for the decision or information of the Board.

All Directors have always separate and independent access to Management at all times. The Board also has access to information and the advice and services of the Company Secretary who is a Chartered Secretary and is qualified under the Companies Act 2016 ("CA 2016"). The appointment and removal of the Company Secretary is subject to the Board's approval.

Directors can seek independent professional advice, if required on specific issues to assist them in discharging their duties effectively. The cost of such advice will be borne by the Company. The procedure for Directors seeking independent advice is provided in the Board Charter.

Training and Professional Development of Directors

The Directors attend continuous training and education programmes from time to time to stay abreast with the relevant business development and outlook in the industry, as well as changes to the statutory and regulatory requirements to enhance their ability in discharging their duties and responsibilities more effectively. During FY2021, the Directors had attended various training and professional development programmes such as in the areas of digital banking, budget and financial as well as governance related matters. Details of the training attended by the Directors are provided in the CG Report 2021.

Corporate Governance Overview Statement (cont'd.)

The Company also organises orientation and induction programme for new Directors including site visits to the Group's operating centres in order to familiarise them with the Group's business, operations, organisation structure and corporate policies.

A Director without prior experience as a director of an issuer listed on Bursa Securities is required to attend the Mandatory Accreditation Programme ("MAP") within four (4) months from the date of appointment.

Code of Conduct and Ethics

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, 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.

Anti-Corruption Policy

The Group is committed to conduct business dealings with the highest standard of integrity and ethics to ensure that its activities and transactions are open, transparent and are conducted in accordance with its policy, the applicable laws and regulatory requirements on Anti-Corruption. The Anti-Corruption Policy which applies to all Directors, employees, business partners and persons associated with Star Group is available on the Company's website at www.starmediagroup.my.

Whistleblowing Policy

The Company has in place a Whistleblowing Policy to provide an avenue for all employees to raise or report legitimate concerns about any actual or suspected unethical conduct at the earliest opportunity for investigation. The Company ensures that whistleblowers are protected from reprisals or victimisation as a result of making the information known in good faith.

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

II. BOARD COMPOSITION

As of the date of this statement, the Board comprised seven (7) members out of which, five (5) members are Independent Non-Executive Directors ("INEDs"), including the Chairman and two (2) Non-Independent Non-Executive Directors. The size and composition of the Board are reviewed by the NC periodically, taking into account the scope of the business and nature of operations of the Company. In its review, NC seeks to ensure that the Board size is adequate to provide for a diversity of views and facilitate effective decision making.

There is also a strong element of objectivity on the Board, considering the number of INEDs represents 71% of the Board. The INEDs are considered by the Board to be independent of Management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective or independent judgement. The primary responsibility of Independent Directors is to protect the interests of minority shareholders and other stakeholders. They play a key role in providing independent views and advice and their effective participation serves to promote greater accountability and balance in the Board's decision-making process.

The Board believes that it presently has an appropriate balance of skills, experience, knowledge and independence to deliver the Group's strategy, to enable the Directors to effectively challenge the views of Management and to satisfy the requirements of good governance.

The profile of each member of the Board is presented on page 24 to page 27 of this Annual Report.

Board Effectiveness Evaluation

The Board, through its NC, evaluates the Board's collective performance by examining the effectiveness of the structure and activities of the Board and Board Committees as well as the contribution of individual Directors on an annual basis.

For FY2021, the NC had commissioned a formal evaluation of the effectiveness of the Board and Board Committees and the performance and contribution of each individual Director. The evaluation process was conducted by way of internal assessment facilitated by the Company Secretary. The process involved sending questionnaires for feedback from Directors based on the following parameters/criteria. The questionnaires are drawn up with reference to the Corporate Governance Guide by Bursa Malaysia Berhad and other observable practices and required duties and responsibilities of Directors. The questions are annually reviewed and renewed, where appropriate to continuously engage the Directors' perspectives on the relevant areas.

| No. | Evaluation | Assessment criteria |
|-----|---------------------|--|
| 1. | Board | Board structure/size, composition and mix of skills, operations and its roles and responsibilities |
| 2. | Board Committees | Board Committees' composition, relevant expertise and support and communication to the Board |
| 3. | Individual Director | Individual Director's knowledge and experience, character and integrity, competency and capability, as well as commitment to serve the Company and participation in Board activities |

NC has implemented the following two-step approach on the assessment of the Board, Board Committees and individual Director. The first stage required each Director to rate his/her skills, competencies and performance via self-assessment based on the 5-point ratings, from strong to limited (where relevant) before the Company Secretary tabled the summary results to the NC for further evaluation. The NC also assessed the independence of each INED annually in accordance with the Listing Requirements of Bursa Securities and relevant guidelines/practices.

Upon recommendation of the NC, the assessment report was tabled to the Board for further discussion on the potential areas for improvement. The Board believes that the process of implementing the outcomes is a crucial step in the entire evaluation process and should deserve the full attention of the Board. The evaluation confirmed that the Board and its Committees were generally functioning effectively and performing well within a challenging environment.

Tenure of INEDs

The Board is guided by the recommended approach under the MCGG for retention of Independent Directors beyond the cumulative term limit of nine (9) years and twelve (12) years. Independent Directors who exceed the cumulative term limit shall be re-designated as Non-Independent Director, unless shareholder approval is sought for him/her to remain as Independent Director providing justification. Currently, none of the INEDs has served on the Board beyond nine (9) years from the date of his/her first appointment. All Independent Directors have demonstrated objectivity in their deliberations in the best interest of the Company.

Board Diversity

The Board is committed towards building diversity amongst its members, including gender, ethnicity, age and professional diversity to maintain the right balance for effective functioning of the Board. The Board currently comprises of individuals from a diverse range of skills, industries, backgrounds and experience which contributes to collaborative and constructive discussion. 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 to support long term success of the Company.

Corporate Governance Overview Statement (cont'd.)

Currently, the Board has one (1) female Director, which represents 14% of the current Board size. Specifically in support of gender diversity, 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 will continue to build on the element, recognising the importance of having a refreshed and an effective and diverse Board.

The Board also values diversity not only at the Board level but also at the Management/operational level throughout the Group for better decision making and competitive advantage. About 43% 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.

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 NC's recommendations are based on a review of range of expertise, skills and attributes of current Board members and the needs of the Board, taking into account the Company's future business direction, the tenure of service, contribution and commitment of each Board member. Board rejuvenation is the guiding principle in determining the need for new appointees to the Board.

With regard to the selection of new Directors, the NC evaluates the balance of skills, knowledge and experience on the Board and arising from the evaluation, determines the desirable competencies for appointment to enhance the existing Board composition, taking into account diversity criteria.

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

| | |
|--|---|
| <div>STEP 1</div> <div>Proposed Board Candidate</div> <div>Candidate is identified on the recommendation of the Directors, Senior Management staff, major shareholders, third-party referrals or from executive searches.</div> | <div>STEP 3</div> <div>Recommendation is made by NC to the Board for approval upon evaluation of the candidate's suitability</div> |
| <div>STEP 2</div> <div>Assessment and evaluation to be conducted by the NC</div> <div>The assessment would be conducted based on the following criteria:<ul style="list-style-type: none">(i) Integrity and commitment (including time commitment), character and competence(ii) Skills, knowledge and expertise(iii) Diversity (gender, age and ethnicity for the purpose of boardroom diversity)(iv) Independent judgement(v) Professionalism(vi) Experience and accomplishments(vii) Any other criteria deemed fitFor an Independent Director position, the candidate's ability to discharge such responsibilities is also evaluated.</div> <div>In addition to the selection criteria, the NC would also consider the size and composition of the Board to facilitate informed decision making and to comply with the Listing Requirements of Bursa Securities and for good corporate governance practice.</div> | <div>STEP 4</div> <div>Board deliberates and decides on the proposed new appointment</div> <div><div><div>STEP 5</div><div>If the proposed appointment is approved:</div><div>Invitation or offer is made to the potential candidate to join the Board.</div></div><div><div>STEP 5</div><div>If the proposed appointment is rejected:</div><div>The whole process to be re-commenced</div></div></div> |
| | <div>STEP 6</div> <div>Orientation/Induction is conducted by the GCEO and Senior Management of the Company</div> |
| | <div>STEP 7</div> <div>Continuous Training and Annual Performance Assessment</div> |

NC

As of the date of this statement, the NC comprises three (3) Non-Executive Directors with a majority being Independent Director. The NC is chaired by a Non-Independent Non-Executive Director, Tan Sri Dato' Sri Kuan Peng Soon, and the two (2) members are Madam Wong You Fong and Mr. Chan Seng Fatt.

The TOR of NC is available on the Company's website at <https://starmediagroup.my/terms-of-reference/>.

The NC meets at least once a year and as and when required. During the FY2021, the NC met twice, and the meeting attendance is as follows:

| Director | Number of Meetings attended/held | Percentage of attendance [%] |
|--|----------------------------------|------------------------------|
| Tan Sri Dato' Sri Kuan Peng Soon (Chairman) <i>Non-Independent Non-Executive Director</i> | 2/2 | 100 |
| Madam Wong You Fong <i>Independent Non-Executive Director</i> | 2/2 | 100 |
| Mr. Chan Seng Fatt <i>Independent Non-Executive Director</i> | 2/2 | 100 |

The NC Meeting is normally held before the Board Meeting. When necessary, decisions can also be made via circular resolutions. At the Board Meeting, the Chairman of the NC reports to the Board on matters deliberated at the NC Meeting.

During the FY2021, NC performed the following activities:

- (i) Evaluated the effectiveness of the Board and Board Committees and the contribution of individual Directors in relation to the effective decision-making of the Board and the independence of Independent Directors.
- (ii) Reviewed the term of office of the AC and each of its members in discharging their duties and responsibilities in accordance with its TOR.
- (iii) Reviewed the re-election of Directors who were due for re-election at the Annual General Meeting ("AGM"). The Board and NC collectively resolved to recommend the re-election of each Director who is retiring at the forthcoming 50th AGM of the Company.
- (iv) Reviewed the performance of GCEO who was appointed during the year on 1 March 2021 and recommended his confirmation of employment to the Board for approval.
- (v) Reviewed the TOR to be in line with the latest MCCG before recommending the same to the Board for adoption.
- (vi) Reviewed the performance of GCEO and GCFO to ensure they possess the required qualifications, experience capabilities and attributes to discharge their roles effectively.

III. REMUNERATION

The Board through RC has established a formal and transparent remuneration policy and procedure to determine the remuneration of the Directors and Senior Management, which takes into accounts the demands, complexities and performance of the Company as well as skills and experience required. The remuneration package should reflect performance, complexity and responsibility with a view to attract, motivate and retain high performance individuals and promote the enhancement of the value of the Company to its shareholders.

Corporate Governance Overview Statement (cont'd.)

The remuneration policy of Senior Management is guided by the formal Remuneration Policy of Star Media Group which is built and guided upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The Group's remuneration system is aimed at being competitive relative to the appropriate talent markets; sound and structured to ensure affordability and cost effectiveness as well as it should be perceived as fair and appropriate across the Group, i.e., the pay is aligned with the Company and individual performance. The remuneration mix for Senior Management comprises salary, variable components (e.g. bonus) and benefits which are benchmarked to comparable positions in the market or against the similar industry.

The remuneration for the Non-Executive Directors shall be commensurate with their experience, skills and responsibilities. It is based on a standard fixed fee with the Chairman of the Board and the Board Committees receiving additional allowance for additional responsibilities and commitment required. A meeting allowance is paid for attendance at meetings of the Board and Board Committees. The composition of the remuneration package for the Non-Executive Directors includes fixed annual Directors' fees and Board Committee allowances and meeting attendance allowance. The directors' fees and Board Committee allowance remain unchanged, since the last review in 2010.

The Board, collectively, determines the remuneration of the Non-Executive Directors based on the recommendation of the RC. Each of the Non-Executive Directors shall abstain from deliberating and voting on their own remuneration. Fees of the Directors, and any benefits payable to the Non-Executive Directors shall be subject to shareholders' approval at the AGM. At the 49th AGM held on 24 May 2021, the shareholders of the Company approved the payment of Directors' fees of RM700,000 for the FY2021 and benefits up to RM500,000 to the Non-Executive Directors from the 49th AGM until the next AGM.

The details of aggregate remuneration of Directors for the FY2021 are as follows:

| Directors | Company | | | Subsidiaries | Group |
|--|----------------|---------------------------------|------------------|---------------|------------------|
| | Fees | Benefits-in-kind and Allowances | Company Total | Allowances | Total |
| | RM | RM | RM | RM | RM |
| Tan Sri Dato' Seri Chor Chee Heung (Appointed on 15 March 2021) | 159,000 | 47,000 | 206,000 | - | 206,000 |
| Tan Sri Dato' Sri Kuan Peng Soon | 75,000 | 60,000 | 135,000 | - | 135,000 |
| Dato' Dr. Mohd Aminuddin bin Mohd Rouse | 75,000 | 86,000 | 161,000 | 72,000 | 233,000 |
| Mr. Choong Tuck Oon | 75,000 | 59,000 | 134,000 | - | 134,000 |
| Madam Wong You Fong | 75,000 | 30,000 | 105,000 | - | 105,000 |
| Mr. Chan Seng Fatt | 75,000 | 71,000 | 146,000 | - | 146,000 |
| Mr. Loh Chee Can | 75,000 | 43,000 | 118,000 | - | 118,000 |
| Dato' Fu Ah Kiow (Resigned on 1 March 2021) | 42,000 | 132,000 | 174,000 | - | 174,000 |
| Total | 651,000 | 528,000 | 1,179,000 | 72,000 | 1,251,000 |

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

As of the date of this statement, the AC comprised four (4) members with a majority of INEDs, namely Mr. Chan Seng Fatt (Chairman), Dato' Dr. Mohd Aminuddin bin Mohd Rouse, Mr. Choong Tuck Oon and Mr. Loh Chee Can.

The Chairman of the AC is not the Chairman of the Board. The members of the AC are financially literate and have sufficient understanding of the Group's business. Details of the composition and responsibilities of the AC are set out in the AC Report in this Annual Report. Annually, the Board, via the NC evaluates the composition, performance and effectiveness of the AC. The Board is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with its TOR.

The AC also provides oversight for and management of the relationship with the External Auditors of the Group, including reviewing and monitoring the External Auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

On an annual basis, AC will review the service levels of the External Auditors, agree on their scope of works and recommend their appointment/re-appointment to the Board. Non-audit services proposed by the External Auditors were presented to the AC to determine if auditors' independence will be compromised. The non-audit fees did not exceed 50% of the total audit fees for the financial year under review.

The annual evaluation of the External Auditors is carried out via evaluation forms by the AC. The evaluated areas include objectivity and independence, audit scope and planning, technical competence, and ability. The AC has assessed the performance of the External Auditors for FY2021. Based on these assessments, the AC recommended 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 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 Board 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 Board is of the view that the system of internal control and risk management in place during the FY2021 is sound and sufficient to safeguard the Group's assets and shareholders' investments as well as the interests of stakeholders.

The Statement on Risk Management and Internal Control set out on page 42 to page 45 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. ENGAGEMENT WITH STAKEHOLDERS

The Board recognises the importance of effective and timely communication with the Company's shareholders and other stakeholders to keep them informed of the Group's latest financial performance and business matters. The Board is committed to provide information that accurately and fairly represents the Group to ensure our stakeholders have clear and factual insights into the Group's strategy and financial performance through general meetings, press releases,

Corporate Governance Overview Statement (cont'd.)

announcements and corporate communications such as the annual report, quarterly report and circular. 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

The AGM, which is usually held in May each year, is the principal forum for dialogue and interaction with the shareholders of the Company. The Board encourages shareholders' active participation at the Company's AGM and ensures the Board members, Senior Management and External Auditors are in attendance to respond to shareholders' queries.

In view of the Covid-19 situation in Malaysia and in ensuring shareholders' well being and safety remain the Company's priority, the Company had conducted its 49th AGM on a virtual basis through live streaming from Menara Star and online remote voting via the Remote Participation and Voting Facilities provided by our share registrar. The virtual meeting was held in accordance with the Securities Commission's Guidance Note on the Conduct of General Meetings for Listed Issuers. In fostering effective participation of and engagement with shareholders at the AGM, all seven (7) Directors (including the Chairmen of AC, NC and RC) were present to engage with the shareholders and be accountable for their stewardship of the Company. The Chairman, GCEO and GCFO were physically present at the Broadcast Venue at Menara Star together with the Company Secretary whilst the other six (6) Directors, members of Senior Management and the partner from the external audit firm attended the meeting remotely via video conferencing. Our shareholders were able to successfully exercise their rights through the virtual AGM.

The Board ensures that shareholders are given sufficient notice and time to consider the proposed resolutions that will be discussed and decided at the AGM. The AGM notice includes explanatory notes that contain further information on the proposed resolutions. The notice and agenda of the AGM together with the Proxy Form are given to shareholders at least twenty-eight (28) days prior to the AGM. In line with the Company's commitment to the environment, in promoting sustainable practices as well as to achieve greater cost efficiencies, shareholders are encouraged to access the digital copy of the Company's Annual Report by downloading it from the Company's website. The Company has also forwarded postcards with QR code consisting the Notice of AGM, Administrative Details of the 49th AGM and Proxy Form to the shareholders which are available on the Company's website at www.starmediagroup.my.

Prior to the 2021 AGM, shareholders were invited to send questions by email to the Company's Investor Relations or the Company Secretary as well as via the share registrar's dedicated website link. The Chairman also encouraged shareholders to participate at the meeting by submitting typed questions in real time on the meeting platform. Questions that were submitted prior to the 49th AGM and those that were posed at the meeting were addressed during the meeting.

All resolutions set out in the Notice of the 49th AGM were tabled and approved by the shareholders. The voting at the 49th AGM was conducted by poll in accordance with Paragraph 8.29A of the Listing Requirements of Bursa Securities. After verification by the independent scrutineer, the Chairman announced the poll results to the meeting and declared that all the resolutions were carried. The poll results were also announced by the Company via BursaLINK on the same day for the benefit of all shareholders. The minutes of the 49th AGM including all the key matters discussed/questions raised for the meeting and the answers thereto were made available on the Company's website.

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 in line with the practices and guidance of the MCCG.

This CG Statement was approved by the Board on 22 February 2022.

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 and Internal Control (Guidelines for Directors and 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 (“AC”), under the purview of the Board, maintains the responsibility for risk and control oversight within the Group.

While the Board and AC 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 mitigation plans have been implemented and presenting key matters to AC for review and deliberation. Periodically, all key risks together with their corrective measures will be summarised and compiled for review of the AC 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 AC. The AC reports to the Board the risk management updates and alerts the Board of Directors as and when there were 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 place, 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.

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.

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

- 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 AC 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 AC. 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 AC on a quarterly basis. The AC 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 AC 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 AC reviews the risk monitoring and compliance procedures to obtain the level of assurance required by the Board. The AC 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 AC 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 AC.

- 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 2021, based on the internal controls established and maintained by the Group, work performed by the Internal and External Auditors and reviews performed by Management and various Board Committees and assurance from the GCEO and GCFO, the Board, with the concurrence of the AC, 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 2021. 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 and Listed Issuers)* nor is factually inaccurate.

This Statement was approved by the Board on 22 February 2022.

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 2021 (“FY2021”).

The primary role of the AC is to assist the Board in fulfilling its fiduciary responsibilities relating to the integrity of financial reporting, the effectiveness of the risk management framework, ensuring the efficacy of the system of internal controls, as well as consideration of governance and compliance matters of the Company and its subsidiaries (“the Group”). The AC is also responsible for assessing the quality of the 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.

TERMS OF REFERENCE (“TOR”) OF THE AC

The AC is guided by its own written TOR which clearly sets out its authorities, duties and operating procedures. The TOR is reviewed periodically. The last revision was carried out on 25 August 2021 by the members to be in line with the revised Malaysian Code of Corporate Governance (“MCCG”) as at 28 April 2021. The revised TOR of AC was approved by the Board for adoption on 26 August 2021.

The latest TOR of the AC is published on the Company’s website at <https://www.starmediagroup.my/terms-of-reference/>.

COMPOSITION

As at the end of the FY2021, the Company has complied with Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) which requires all members of the AC to be Non-Executive Directors, with a majority of them being Independent Directors. As at 31 December 2021, AC comprised four (4) members of the Board, three (3) of whom are Independent Non-Executive Directors, details as shared below.

MEETINGS

During the financial year under review, the AC held five (5) meetings in total. The attendance record of the AC members is as follows:

| Director | Designation | Total Meetings Attended |
|--|--|-------------------------|
| Mr. Chan Seng Fatt <i>Chairman</i> | Independent Non-Executive Director | 5/5 |
| Mr. Choong Tuck Oon <i>Member</i> | Independent Non-Executive Director | 5/5 |
| Dato’ Dr. Mohd Aminuddin bin Mohd Rouse <i>Member</i> | Non-Independent Non-Executive Director | 5/5 |
| Mr. Loh Chee Can <i>Member</i> | Independent Non-Executive Director | 5/5 |

Schedule of AC meetings is circulated to the Directors prior to the start of the financial year to allow them to plan ahead for their attendance. AC meeting attendance via telephone and video conferencing is allowed under the Company’s Constitution. In the light of the Covid-19 pandemic, all the AC meetings during the year were held virtually via video-conferencing.

The AC meetings are normally held every quarter with additional meetings to be convened as and when necessary. The AC meetings were attended by the Group Chief Executive Officer (“GCEO”), Group Chief Financial Officer (“GCFO”), Head of Internal Audit together with other Key Management and the representatives of the External Auditors 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 were circulated to all members for comments and tabled for confirmation at the next AC meeting. At the Board meetings, the AC Chairman would report to the Board on the pertinent issues, significant points of decisions and recommendations made by the AC to the Board for the Board's consideration and approval.

ANNUAL PERFORMANCE ASSESSMENT

The Board via the Nomination Committee ("NC") annually reviews the term of office and performance of the AC and its members. The NC had conducted a formal assessment of the effectiveness of AC and its members in carrying out their duties during the FY2021. The process involved sending questionnaires for feedback from the Directors. The evaluation confirmed that the AC members was functioning effectively and performing well in accordance with its TOR. The Board also concluded that collectively the AC members possess the appropriate and relevant skills, knowledge, and experience and attributes they need to fulfil their duties effectively during the year under review.

Each AC member has also participated in the relevant training during the FY2021 as set out in the Corporate Governance Report.

SUMMARY OF KEY ACTIVITIES OF AC FOR THE FY2021

The key activities carried out by AC in accordance with its responsibilities and duties under its TOR during the year under review included the matters set out below. To discharge its responsibilities and duties, the AC has full access to, and the co-operation of the Management and has been given adequate resources to discharge its functions effectively:

(i) Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Group and related announcements required by Bursa Securities for recommendation 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.

The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the Listing Requirements of Bursa Securities and other related matters that arise from the audited financial statements. The AC keeps itself apprised of changes in accounting policies and guidelines through regular updates by the External Auditors.

(ii) External Audit

- (a) Discussed with the External Auditors, the audit plan, outlining among others, the audit approach, materiality and performance materiality and areas of significant auditors' attention and the audit results, key audit matters and Management's responses to the audit findings. There is continuous engagement with the External Auditors to assess the impact of Covid-19 pandemic to ensure the Group's financial reporting and auditing process are not significantly affected.
- (b) Reviewed the audit fees of the External Auditors for recommendation to the Board for approval.
- (c) Reviewed the External Auditor's objectivity and independence from Management and the Company. In assessing independence, the AC reviewed the fees paid to the External Auditors including the non-audit fees. In regard to non-audit services, the AC would take into consideration the nature and extent of the services and the appropriateness of the level of fees before approving the non-audit services rendered by the External Auditor and its affiliates. The AC is of the opinion that the External Auditor's independence has not been compromised.

Audit Committee Report (cont'd.)

- (d) Met with the External Auditors twice without the presence of the Management on 24 February 2021 and 17 November 2021 to enquire the extent of assistance rendered by Management to ensure there were no restrictions to the scope of their audit and to discuss significant issues that arose during their audit.
- (e) Recommended to the Board for the re-appointment of External Auditors to be put to the Company's shareholders for approval at the Annual General Meeting ("AGM"). The AC also took into consideration the Annual Transparency Report 2020 provided by the External Auditors which covers the External Auditor's legal and governance structure, measures to uphold audit quality and manage risks as well as the measurements of audit quality indicators as a basis.

Having taken all appropriate factors into consideration and being satisfied with the suitability, performance, technical competency and audit independence of the External Auditors, the AC recommended to the Board for approval the re-appointment of Messrs BDO PLT as the Group's External Auditors. The re-appointment of the External Auditors is subject to the approval of the Company's shareholders at the forthcoming 50th AGM.

(iii) Risk Management

- (a) To support the Board, the AC looks into and oversees the Group's Risk Management Framework. The AC reviewed the adequacy and effectiveness of the Risk Management Framework to safeguard the interests of the Group and its shareholders. The risk management processes, their adequacy and effectiveness are reported to the AC periodically. This includes the regular review on cybersecurity risk exposures to ensure the Group's nimbleness in adapting and strengthening controls to address the evolving IT Security threats and cybercrimes, particularly with increased work-from-home activities during the Movement Control Order periods to curb pandemic.

(iv) Internal Audit

- (a) The AC reviewed the adequacy and effectiveness of the Group's internal controls including financial, compliance, operational and information technology controls. It reviewed and approved the risk-based Internal Audit Plan which outlines the audit strategy and approach; reviewed the major findings during the year and Management's responses thereto as well as their recommendations. Where appropriate, the AC advised Management on the proposed remedial plans to ensure adequate actions were taken in addressing the issues raised. The AC also monitored the timely and proper implementation of any required corrective or improvement measures. AC is of the view that the internal audit function is independent, effective and adequately resourced. The scope and areas of coverage were also adequate to meet the Group's requirements.
- (b) Met with the Head of Internal Audit on 17 November 2021, without the presence of the Management to obtain feedback on the internal audit activities, audit findings and any other related matters.
- (c) Assessed the performance, adequacy, scope, resources and competency of the internal audit function to ensure its adequacy and effectiveness for the FY2021.

(v) Other Activities

- (a) Reviewed all 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 is satisfied with the adequacy of the Anti-Corruption Policy instituted by the Company in compliance with the requirements of Section 17A of MACC (Amendment) Act 2018.
- (c) Reviewed the progress report of the implementation of action or remedial plans following the Company's Cybersecurity Maturity Assessment conducted by Deloitte Risk Advisory Sdn Bhd to evaluate the current state of cyber maturity and identify the gaps that exist between the present and ideal future state of cybersecurity for the Company. The quarterly report includes updates on the status of deliverables and milestone reached were tabled to the AC for review.

- (d) Received written assurances from the GCEO and GCFO, based on the assurances by Business Departmental/Unit Heads during the year under review that the Group's risk management system and internal control systems were generally adequate and effective to address financial, operational, information technology and compliance risks which the Group considers relevant and material to its operations.
- (e) 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.
- (f) Reviewed and recommended to the Board for approval, the revisions to the TOR of AC to ensure its relevance in assisting the Board to discharge its duties.

INTERNAL AUDIT FUNCTION

The internal audit function is under the responsibility of the in-house Internal Audit Department ("IAD") led by the Head of Internal Audit. Head of Internal Audit is independent and reports directly to the AC.

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 guided by the Group Internal Audit Charter, which sets out its purpose, authority, scope, independence and responsibilities.

IAD is given access to the Group's documents, records and personnel in carrying out the audit assessment in accordance with the approved audit plan and had unfettered access to the AC, the Board and the Management. The AC also 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 FY2021, the internal audit works covered operational and ad-hoc audits which include the 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 periodically to ensure the agreed audit recommendations were implemented appropriately. Review of the RPT and recurrent RPT were also carried out yearly by IA to provide assurance to the Board and AC 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 reports and summary of key findings are presented to the AC for deliberation to ensure that Management undertakes to carry out the agreed remedial actions.

The total costs incurred for the in-house internal audit function for FY2021 was RM713,700.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

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.

As at 31 December 2021, the details of utilisation of proceeds are as follows:

| 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 2021 are as follows:

| | Group RM'000 | Company RM'000 |
|------------------|-----------------|-------------------|
| - Audit fees | 371 | 244 |
| - Non-audit fees | 165 | 90 |
| Total | 536 | 334 |

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the Directors, Group Chief Executive Officer and major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

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

The Company did not seek approval from its shareholders in respect of the renewal and/or new mandate for any of its RRPT during the financial year ended 31 December 2021 as there was no RRPT pursuant to Paragraph 10.09(1), Chapter 10 of the Listing Requirements of Bursa Securities. The Company will continue to monitor its RRPT (if any) and make appropriate announcement(s) to Bursa Securities of such transaction(s) where required in accordance with the requirements under Chapter 10 of the Listing Requirements of Bursa Securities.

FY2021 AWARDS



Malaysian Press Institute (MPI) Petronas Malaysian Journalism Awards 2021

- A. Samad Ismail Young Journalist Award - Royce Tan
- Excellent Feature Award - Sheila Sri Priya Raman Chetty (Silver) & Royce Tan (Bronze)
- Best Infographic Award - Muhammad Hafeez Aminuddin (Silver)
- Excellent Environmental Journalism Award - Muhammad Farid Abdul Wahab (Silver) & Sheila Sri Priya Raman Chetty (Silver)
- Excellent Multimedia Journalism Award - The Star (Silver)

Socso Media Award

- Best Journalist for Print Media - Allison Lai

WAN-IFRA Digital Media Awards Asia 2021

- Best Paid Content Strategy - Star Media Group (Silver)

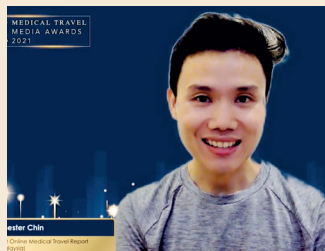


Penang Green Journalism Award 2021

- Photojournalism Category - Chan Boon Kai (Champion) & Lim Beng Tatt (1st runner-up)

Medical Travel Media Awards 2021

- Medical Travel Journalist of the Year (Malaysia) - Revathi Murugappan
- Best Online Medical Travel Report of the Year (Malaysia) - Chester Chin



Malaysia's Most Trusted Brands Awards And Personalities

- Most Trusted Radio Presenter in Reader's Digest list - DJ Lin

Anugerah Bintang Popular Berita Harian (ABPBH34) 2021

- Most Popular Radio Announcer - DJ Lin

Malaysian Society for Occupational Safety and Health (MSOSH)

- Press and News Portal - Grace Chen (Consolation)



2021 World Chinese Economic & Technology Summit

- World Chinese Excellent Media Leadership Award - Esther Ng

2019 CSM Media Appreciation Award (Newspaper category)

- Most Supportive Journalist 2019 award - Yuen Meikeng
(The award ceremony was deferred to April 2021 due to the pandemic)



KSI Strategic Institute for Asia Pacific (KSI) Lifetime Achievement Award 2021

- Lifetime Achievement Award for Penang Media Leadership - Datuk Seri Wong Chun Wai

Malaysian Digital Association D-Awards 2020

- Best Tech Developer - Kualiti (Gold)

Putra Brand Awards

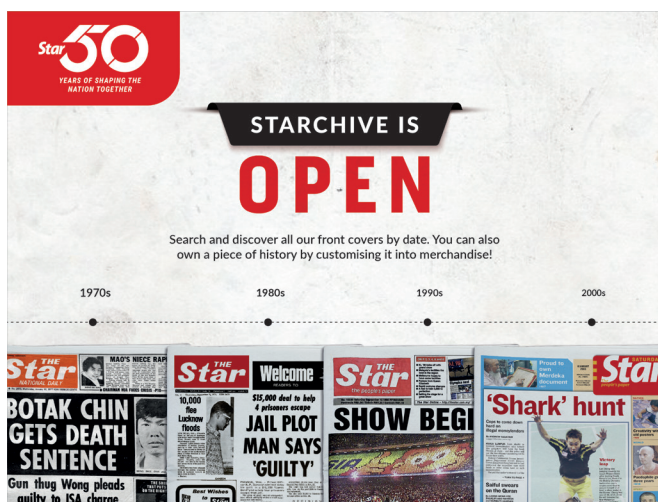
- Media and Entertainment - Star Media Group (Gold)



STAR50 HIGHLIGHTS



As we celebrated our golden jubilee, we're reminded of how far we've come and of our purpose in shaping the nation. Here's a snapshot of our year-long celebration.



STARCHIVE BRINGS BACK MEMORIES

In commemoration of 50 years on the newsstands, The Star introduced Starchive, a treasure trove of over 17,000 of The Star's front covers since our very first issue from 1971. Readers could revisit and even bring home a piece of history by having the front page from any special date printed as merchandise such as shirts, tote bags, mugs, and more.

The very first issue of The Star, published on 9 September 1971, was also made available in full as an e-publication on the dedicated Star50 website, 50.thestar.com.my.



RELIVING MEMORIES THEN AND NOW

Paying homage to The Star's partners over the years, the Then and Now section of the Star50 site allowed readers to relive classic advertisements and experience the progress of household brands such as Kuntum, Milo, Volvo, Amway and more through rich multimedia stories.

The Star also featured commemorative content such as the #Flashback50 series on memorable headlines across history, interviews with the journalists and staff behind iconic stories as well as newspaper vendors who work tirelessly to get the news in your hands.



FROM THE DARK ROOM

They say a picture paints a thousand words. We did away with the news and let our images speak for themselves. From award-winning imagery that captured history to never-before-seen photos, From the Dark Room dug into The Star's photo vault to present the world through our photographers' lenses.



Star50 Highlights (cont'd.)



EXCLUSIVE STAR50 MERCHANDISE

In collaboration with beloved homegrown design house, Bingka, a series of limited edition Star50 merchandise were made available for purchase. Featuring illustrations that highlight the nostalgia and progress of Malaysia, the print could be sported on casual tees, tote bags and more.



FOR THOSE AT THE HEART OF WHAT WE DO

The past 50 years would not have been possible without our readers and partners. Counting down to the golden jubilee celebration, The Star carried out the 50 Days of Giveaways contest. Readers stood a chance to win prizes such as TVs, home and kitchen appliances, laptops, cameras, watches and lots more, with the grand prize winner driving home a Mazda 2 Hatchback. Over 100,000 submissions were received with 362 winners walking away with prizes worth over RM350,000.

There were also gifts galore for lucky readers who started or renewed their subscription during our anniversary year. Prizes included luxury timepieces from Ulysse Nardin, Maurice Lacroix, Oris, as well as Samsung products.



A NIGHT TO REMEMBER

The year-long 50th anniversary celebrations capped off on a grand note with music, cheers and good wishes from Star's long-standing partners and client guests at the Star50 Gala Night.

With the theme of "50 years of Shaping the Nation Together", the event was held at Shangri-La Hotel on 10 November 2021, with the gathering of some of the nation's leading personalities from renowned corporations and organisations, celebrities and media figures who attended the gala night.

The Gala Night featured performances by 988 and Suria DJs and also a surprise performance by renowned songbird Misha Omar. Gracing the event as Guest of Honour was Minister of Communications and Multimedia Tan Sri Annuar Musa.



CELEBRATING OUR DRIVING FORCE

An organisation is only as strong as the people within. The Star owes its 50 years of delivering news that matters and more to its ever loyal staff force. In appreciation of the effort they have put in, the time they had given, and the years they stood alongside us, Star ran a series of engagement activities to celebrate our people.

#StarsOfStar

The Star has a colourful history and our colleagues have been a huge, impactful part of it. From the Content, Client Brand Marketing, Digital, Print, Corporate Communication teams and more, we invited them to tell their interesting stories via a social media campaign.

Getting to know each other better

From weekly Gartic Phone game sessions and StarTalk firechat sessions, to Then and Now social media engagement activities, we strengthened the camaraderie and celebrated the journey we are on together.

FY2021 HIGHLIGHTS

TheStar

Uninterrupted access to news

In its commitment to continue keeping readers informed, The Star launched an advertisement-free premium plan for The Star Digital Access to give readers an uninterrupted reading experience.

The Star Digital Access grants daily access to news, features, videos, interactive graphics and more.

At the heart of the content that The Star puts out is the hard work of journalists, photographers and videographers, and this plan allows for the sustainable support of quality journalism while building a new user experience.

A stronger voice together

For the first time in Malaysian history, The Star, Chinese newspaper Sin Chew Daily, Malay daily Sinar Harian and local news broadcaster Astro Awani have teamed up to offer better and more comprehensive news coverage for Malaysians.

The media alliance aptly named Media in Arms, will feature detailed reports on issues related to national, social and public interests, and offer a more comprehensive view from different perspectives. The joint reports will be published by the media alliance partners simultaneously.

To start off, Media in Arms deliberated the circumstances surrounding Undi18 with their maiden joint report titled "Undi18: My country, my decision".

Ranked one of Malaysia's most trusted and preferred brands

Amid rampant fake news and uncertainty surrounding the Covid-19 pandemic, Malaysians have continued to turn to The Star as a source of credible news.

An annual worldwide study of news trends has ranked The Star as the top English-language news portal in brand trust scores among surveyed brands in Malaysia.

The Reuters Institute Digital News Report 2021, in its 10th edition of the annual series, found that when it comes to brand trust scores in Malaysia, The Star scored 65%.

The Star was also voted as one of Malaysia's favourite brands at the prestigious Putra Brand Awards, snagging a Gold in the Media and Entertainment category.





New records and milestones for mStar

2021 was an incredible year for mStar as they emerged as Malaysia's number one lifestyle and entertainment Bahasa Malaysia portal. mStar also raked in their highest ever page views of 31.5 million and 8.8 million unique visitors.

mStar's ever popular #Bizibody segment was shortlisted as one of the top 5 finalists of Anugerah MeleTOP Era's Program MeleTOP category. They also introduced a new weekly e-sports segment featuring the most exciting local e-sports news and updates.

Never breaking their stride, they launched their official TikTok channel, which has since amassed over 486,500 followers and 6.4 million likes.

Ending 2021 with a bang, mStar released its very first theme song "Apa Apa Rojer", making the news portal the only portal in Malaysia to have a theme song. The catchy tune was performed by TikTok sensation Coki and W.A.R.I.S, and composed by DJ Fuzz.



New kid on the block makes strides

Diversifying its content offerings to new audiences, Star Media Group introduced Majoriti, a Bahasa Malaysia news portal focused on providing reports on current affairs. With a tagline of 'Refleksi Tanpa Prejudis', Majoriti's manifesto revolves around providing unbiased news and views to members of the public.

More than just bringing news closer to readers, Majoriti looks at bringing added value to its customers, together with its strategic partners. The portal is currently teaming up with a diversity of partners to expand on each others' offerings.

Partners and merchants currently on board include Social Security Organisation, Aeon Co (M) Bhd, Malaysia Airlines Bhd, Secret Recipe Cakes and Cafe Sdn Bhd, Yoodo, Grab Malaysia, Petronas Dagangan Bhd, Samsonite (M) Sdn Bhd, hotels under IOI Properties Group Bhd, and more in the pipeline.

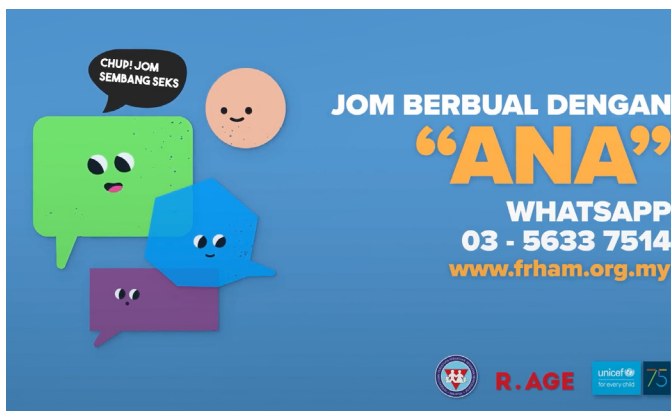


R. AGE

Advocating comprehensive sex education

R.AGE conducted a comprehensive sex education campaign, the 'Chup! Jom Sembang Seks' from September till November 2021 in collaboration with the Federation of Reproductive Health Associations (FRHAM), Unicef Malaysia, and Study Hub Asia for young people to express and talk about their feelings, gender, and sexual health.

This campaign also included four virtual townhalls for 600 young people aged 13 to 25 years old. It created the ANA chatbot for young people to access accurate sexual reproductive health information, as well as hotlines and guidance on how to make police reports.



Learning on-the-go with Kuntum

Malaysia's oldest edutainment magazine for children, Kuntum, has released its very own app on Android, iOS & Huawei Mobile App to grant students ease of access to study materials.

Kuntum also collaborated with eKelas, a flagship community programme under technology expert, Maxis, to offer diverse and engaging learning content as supplementary teaching materials. 2,000 subscriptions to the digital magazine were made available to all eKelas students.

Keeping education at the forefront

The Kuntum Bersamamu initiative continued in 2021 and saw the distribution of complimentary issues of Kuntum magazines to children of frontliners. The gesture was in appreciation of the frontliners' contributions and continuous efforts in the battle against Covid-19.

This time around, efforts were extended to focus on the Orang Asli, frontline government agencies and orphanages to ensure that children from all walks of life would not be left behind in their studies due to the lack of access to technology and learning materials.

A total of 8,980 copies were contributed across 16 drop points.





Home bakers scale up with Start Up

As part of its ongoing Bake & Make entrepreneurship webinar for baking enthusiasts, Kuali launched Start Up in collaboration with Anchor.

The online learning platform features 11 customised courses aimed at boosting home bakers' skills and entrepreneurial knowledge, and is geared to encourage the proliferation of small baking enterprises.

Bakers registered with the platform also stand a chance to feature their businesses on The Batter Place, an online local directory.

With home bakers facing limitations in selling their products on social media platforms or by word of mouth, Start Up will help them in reaching out to new customers and drawing traffic to their individual websites.



StarProperty Fairs back to spoil buyers

After a long hiatus hampered by multiple rounds of movement control orders, three StarProperty fairs were organised in 2021, drawing in over 15,000 visitors.

Visitors and buyers were spoilt for choice as the fairs provided a vast catalogue of properties, from landed to high-rise properties and commercial lots, offered by a curated list of distinguished property developers.

The three fairs were held in IOI City Mall Putrajaya, Sunway Pyramid mall and Mid Valley Exhibition Centre in Kuala Lumpur.

27

EXHIBITORS

32

BOOTHs

15,000

VISITORS



Honouring the best in the Malaysian property sector

The celebration of the sixth installation of StarProperty Awards 2021: Real Estate Developer was held in cyberspace for the second time, being streamed live on StarProperty's Facebook page and drawing over 17,000 views.

Receiving a total of 61 entries across 26 categories, the StarProperty Awards 2021: Real Estate Developers paid homage to real estate developers who have contributed to the growth of the nation's real estate industry.



FY2021 Highlights (cont'd.)

StarProperty **AWARDS** REALTOR EDITION

Recognising Malaysia's finest talents in the real estate industry

In recognition of the efforts of the best property agencies and negotiators in Malaysia, StarProperty held the fourth installation of StarProperty Awards 2021: The Realtors Edition on 8 December 2021. The award pays homage to individuals and agencies who had strived to fulfil their unique roles in society.

A culmination of a year's worth of various activities and initiatives, the StarProperty Awards 2021: The Realtors Edition welcomed over 250 esteemed guests to the gala night. This year's awards featured 11 categories with 22 subcategories.



Malaysian SMEs awarded for their outstanding achievements

The Star Outstanding Business Awards (SOBA) marked its 12th year of 'Honouring the Best in Malaysian Business' by showcasing the nation's up-and-coming local, non-listed companies and small and medium enterprises (SMEs).

SOBA 2021 was launched virtually and to complement the awards programme, a number of capacity-building initiatives for SMEs were carried out through SOBA LAB. The workshop topics ranged from digitalisation, cash flow management, business opportunities and sustainability to how Budget 2022 can drive and assist SMEs during the pandemic.

The SOBA LAB workshops were conducted in English, Bahasa Malaysia and Chinese in order to reach out to a broader spectrum of SMEs.

A culmination of a year's worth of various activities and initiatives, the SOBA 2021 Gala Night welcomed around 700 aspiring and inspiring entrepreneurs for a glittering night of celebration.





New connections, new opportunities

As part of the Star Outstanding Business (SOBA) awards programme, the inaugural SOBA Prestige was held to bring together SOBA alumni, partners and sponsors. The specially curated networking event aimed to encourage knowledge sharing amongst thought leaders, and to inspire one another to scale their ideas into a sustainable reality.

A total of 57 like-minded personalities attended the event to explore networking and business opportunities.



Perfect Livin^{expo}

Choices abound at Malaysia's premier home expo

Perfect Livin continues to offer complete home solutions for homeowners all under one roof through four home exhibitions in Klang Valley and Penang.

Offering a plethora of services, fittings and items for homeowners looking to furnish or spruce up their abodes, the exhibitions featured more than 200 exhibitors with over 400 brands and attracted over 60,000 visitors in 2021.

| | | |
|------------|------------|---------------|
| More than | Over | Attracting |
| 200 | 400 | 60,000 |
| EXHIBITORS | BRANDS | VISITORS |





A rockin' good time with Suria

Suria ran their signature roadtour virtually on 24 March 2021 to resounding success. Konsert Digital Jelajah Suria featured popular local artists such as Misha Omar, Lah Ahmad, Masdo, Dayang Nurfaizah, Floor 88, Haqiem Rusli, Farisha Iris, Iman Troye, Bob Sentuhan and Awie. Broadcasted across Suria's digital platforms, the virtual concert pulled in over 280,000 views.

Thanks to popular demand for Suria's merchandise, Suria also launched their first e-Store, Kedai Suria to allow easier purchase of their distinctive merchandise.

For Suria's 14th anniversary in October, listeners were treated to discounts and a chance to snag four unique merchandise sets representing the station's four signature segments; Team Pagi Suria, Gaya Suria, Suria Petang and Suria Cinta.

Celebrating love for Malaysia

In conjunction with Malaysia's Merdeka Day, Suria and KLSketchNation, an independent art-based NGO, organised the first fully digital, animated Merdeka Parade.

Calling upon members of the public to participate in a patriotic, fun and quirky character creation online competition, the Perarakan Merdeka Suria x KLSketchNation competition received over 1,100 entries and drew 1,000 live concurrent views when it aired on 31 August 2021. The lively virtual march featured animated characters showcasing their love and pride for the nation.



Celebrating 25 years of broadcasting excellence

988 listeners were awarded with tons of exciting news in conjunction with its 25th anniversary. The anniversary kicked off with an online press conference, and a lineup of programmes prepared by 988 DJs. Among the highlights were the 988 City Heartbeat Live Show and the online launch of 988's theme song entitled "988 Walk With You", produced in-house by their multi-talented DJs.

988 remains one of Malaysia's top Chinese language radio stations according to the 2021 GfK Radio Audience Measurement Survey (RAM). The radio station is on an upward trend with its weekly cumulative audience surpassing the two million mark.





New CNY melodies for a roaring reunion

988 ushered in the Year of the Tiger with a brand new Chinese New Year album titled Hoolala Good Year (Hoolala Guo Hao Nian).

Produced by popular local music producer Chen Yan Hun, the album features 15 songs, including three new numbers – Hoolala the Best, HuaLaHuaLa Good Year and Prosperity Blossom as well as 12 other popular 988 CNY songs.

HuaLaHuaLa Good Year was composed by 988 DJ Brandon, his third composition following Perfect Moment in 2020 and Together is Better in 2021.

The launch event for the album featured an energetic lion dance performance followed by performances by 988 DJs. This is the 14th CNY album produced by 988.

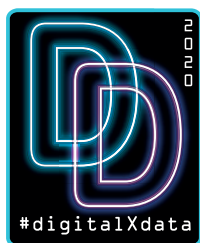


Cultivating a community of thought leaders

Star Media Group continued to thrive in running digital and hybrid knowledge exchange events with both global and local thought leaders and speakers. The events featured topics that addressed consumers' concerns regarding general wellness, digitalisation, cybersecurity, wealth and investment opportunities, and entrepreneurial topics for those looking to pivot or start their own business during these trying times.

Under the #digitalxdata 2021 flagship series, a total of four virtual conferences were held. This included the Smart Retail, Digital Financing, Smart Government and Public Services, and StarBiz Summit conferences. The #digitalxdata conferences garnered over 290,000 accumulated views.

Other notable events were the Circular Economy conference and Star Wealth Summit, both garnering 27,000 and 32,000 accumulated views respectively.



290,000
accumulated views



27,000
accumulated views

FY2021 Highlights (cont'd.)

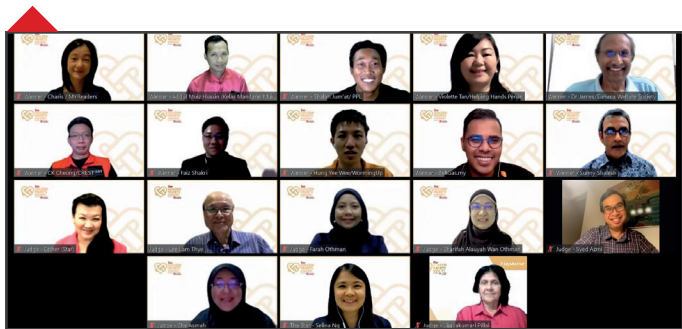


Celebrating heroes with big hearts

10 winners with hearts of gold were unveiled virtually for the first time at the 7th Star Golden Hearts Award. The annual award programme by The Star and Yayasan Gamuda recognises and celebrates everyday Malaysians who demonstrate extraordinary commitment to social work while also promoting national unity.

Selected from over 450 nominations received from all over the country, this year's winners represented a diverse range of social causes, including livelihood and economic empowerment for vulnerable communities, environmental health and food security, quality education for school children, and social development of people with disabilities, among others.

Winners of the Star Golden Hearts Award 2021 were Suriana Welfare Society, Crisis Relief Services and Training (CREST), Helping Hands Penan, WormingUp, Sunny Shalesh, BeliGas Malaysia, Shalan Jum'at, Abdul Muiz Hussin, MYReaders and Faiz Shakri.



Star Social Impact Grant

Grant to aid vulnerable communities

Star Foundation, the charitable arm of Star Media Group, launched the Star Social Impact Grant (SSIG) to provide targeted funding for non-governmental organisations (NGOs) and social enterprises in carrying out impact-driven and sustainable projects to better the lives of local communities and the environment.

This year's inaugural SSIG awarded a total of RM200,000 worth of grants to four NGOs, in support of their social projects. The grants were presented at the Star50 Gala Night in conjunction with The Star's 50th anniversary.

The recipients were Vision To Transform, Hopes Malaysia, Selangor and Federal Territory Association for the Mentally Handicapped, and Pertubuhan Pembangunan Wanita Tamarai Pulau Pinang.



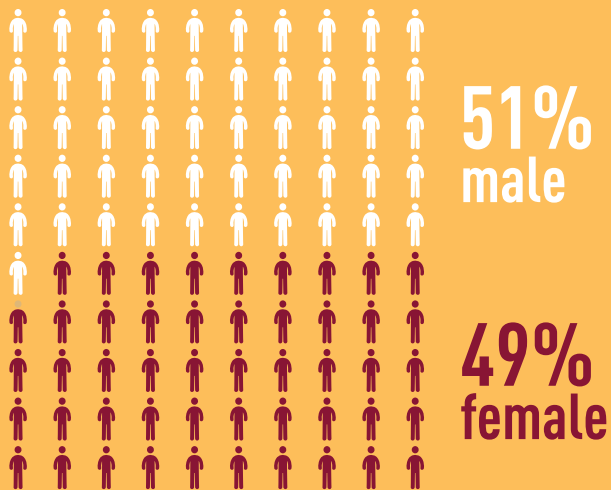
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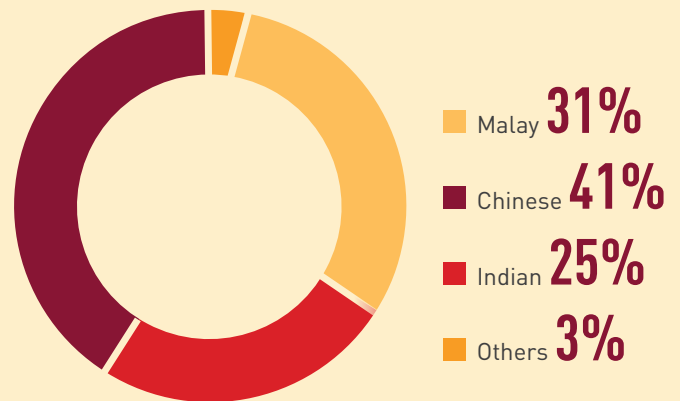


SUSTAINABILITY HIGHLIGHTS 2021

OUR PEOPLE



OUR DIVERSITY



43% women
in senior management

OUR COMMUNITY



Donated **RM722,500**
to 37 Malaysian charities nationwide



Awarded grants totaling up to
RM200,000
to support impact-driven social projects



113 scholarships worth
RM7.82 million
awarded via Star Education Fund

OUR PRODUCTS AND SERVICES



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



The Star newspaper
100%
printed on recycled newsprint paper



3,061 tonnes
total reduction of CO₂ emissions



4,130,317 kWh of solar
energy generated from the Rooftop Solar
Generation project since 2014

SUSTAINABLE DEVELOPMENT GOALS



| ECONOMIC | ENVIRONMENT | SOCIAL |
|--|-------------------------------|---|
| <p>Content Creation, Sourcing and Management</p> | <p>Materials</p> | <p>Employment</p> |
| <p>Economic Performance</p> | <p>Energy & Emissions</p> | <p>Occupational Health and Safety</p> |
| <p>Procurement Practices</p> | <p>Waste</p> | <p>Diversity and Equal Opportunity</p> |
| <p>Anti-Corruption</p> | | <p>Local Communities – Community Investment</p> |
| | | <p>Local Communities – Quality Education</p> |

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, with its content in reference to the Global Reporting Initiative (GRI) Standards. The report also covers the following key principles as guided by the GRI Standards:

- 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;
- Completeness – Reporting on all sustainability topics that are relevant to our Group and in alignment with content requirements.

SCOPE & BOUNDARIES

For the purpose of this report, the content mainly covers Star Media Group

Berhad and its print operations, which is a significant part of the Group's business. It does not extensively cover the other companies operating within the digital, radio, events and exhibitions segments, unless otherwise stated.

This is in line with the Group's primary focus at enhancing elements of its principal operations before exploring other segments of the business. Our intention to expand on the scope of this report remained steadfast as the Group explores ways to include further coverage of our operations in providing a more holistic view of Economic, Environmental and Social (EES)-related matters in the future.

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 2021 to 31 December 2021.

OUR SUSTAINABILITY TOPICS

The disclosures within this report are aligned with specific GRI standards covering the following key material matters. For this year's reporting,

Emission was included as an additional topic-level disclosure which concluded a total of 12 sustainability topics. Likewise, an exception is to be noted for our disclosures under “Content Creation, Sourcing and Management”, where we will continue to work towards aligning it with GRI Standards moving forward.

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 305 Emissions
8. GRI 306 Waste
9. GRI 401 Employment
10. GRI 403 Occupational Health and Safety
11. GRI 405 Diversity and Equal Opportunity
12. 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:

| | |
|---|--|
|  <p>ECONOMIC</p> | <ol style="list-style-type: none"> 1. Content Creation, Sourcing and Management – SDGs 8, 12, 16 2. Economic Performance – SDG 8 3. Procurement Practices – SDG 12 4. Anti-Corruption – SDG 16 |
|  <p>ENVIRONMENT</p> | <ol style="list-style-type: none"> 1. Materials – SDGs 12, 15 2. Energy and Emissions – SDGs 7, 8, 12, 13 3. Waste – SDGs 3, 6, 12 |
|  <p>SOCIAL</p> | <ol style="list-style-type: none"> 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, 3, 4, 8, 10, 11 |

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

The Group has a responsibility to set a positive and progressive example across our supply chain. In addition to ensuring that we stand for best practices in sustainability, we continue striving to improve the sustainability of our supply chains. This is by means of adopting sustainable practices that ensure the value generated as a result of our business activities is shared on an equitable and inclusive platform.

MEMBERSHIPS AND 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 Malaysian Advertisers Association (MAA)
8. Member of Malaysian Digital Association (MDA)
9. Member of Commercial Radio Malaysia (CRM)
10. Member of Bernama Supervisory Council

AVAILABILITY

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

EXTERNAL ASSURANCE

We have maintained our approach at attaining internal assurance for the disclosures made in this year's Sustainability Statement. As the Group enhances its sustainability efforts over time, we will consider seeking external assurance for our disclosures to provide further context and additional certitude to our stakeholders on our performance.

FEEDBACK

We welcome your comments, thoughts and remarks, which may be directed to our headquarters.

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46350 Petaling Jaya,
Selangor Darul Ehsan
Tel : +603 -7967 1388
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Email: investor-relations@thestar.com.my

A HOLISTIC JOURNEY TOWARDS GREATER SUSTAINABILITY

DEAR STAKEHOLDERS,

It is our great honour to present Star Media Group's fifth sustainability report produced in accordance with the Main Market Listing Requirements put forth by Bursa Malaysia. As commenced last year, we have continued to adopt the reporting framework of GRI Standards, which persists as the leading global benchmark in sustainability reporting.



FY2021 was a year once again filled with a myriad of unique challenges brought on by the Covid-19 pandemic. In the midst of such economic uncertainty, and as we continue to witness many businesses navigate the impact of these unprecedented circumstances, we are starkly reminded that no business can count on a perpetual set of favourable conditions. The unpredictability of life compels us to stay two steps ahead in our efforts to protect the continuity and sustainability of our business operations. Equally importantly, it implies that for any sustainability framework to be effective, the approach must be thoughtful, wide-ranging and holistic in nature, and encompass practices that stretch robustly across the EES spectrum.

As a leading national news and media organisation, we also recognise the importance of supporting the education and wellbeing of underprivileged people and communities across the nation. By providing the resources and support they need for growth, whether through

our content and platforms or through our outreach activities, we can help them achieve their potential, and by extension, contribute to the progress and sustainability of the nation as a whole.

To this end, we are pleased to report that, despite the challenging circumstances of FY2021, we have continued to place appropriate focus on expanding and enriching our sustainability practices across the EES spectrum. Through our persistent and holistic efforts, we continue to solidify the strong foundation upon which Star Media Group is able to maintain sustainable value creation into the future.

SHARING GREATER ECONOMIC VALUE


In ensuring the continuing sustainability and viability of our core business segments, we have continued to review and enhance our strategic business objectives, operational practices and product offerings. Recognising the seismic shift towards digital platforms and mobile applications, we have placed

special emphasis on boosting our technological advancement and digital transformation activities.

In FY2021, our efforts in this area were exemplified by the launch of new digital products and platforms, such as the new Malay online news portal called 'Majoriti'. Such timely and progressive initiatives are designed to meet the evolving needs of our customers, while at the same time enabling us to expand our customer base and supplement our revenue streams.

We have also been agile in identifying and capitalising on other opportunities to diversify our revenue and are pleased to announce our entry into the property development industry in FY2021.

In as much as we look for green new pastures, we also place focus on ensuring our existing business ecosystem remains fertile. We have continued to engage closely with our customers, suppliers, industry peers and other stakeholders across the various industries in which we operate



with the objective of nurturing durable and sustainable relationships for the long term. Furthermore, in our role as a national English language daily, we place immense emphasis on ensuring the quality, accuracy and relevancy of our news and that our content continues to maintain the gold standard in journalism.

MAKING A MEANINGFUL SOCIAL IMPACT

Star Media Group remains committed towards making a meaningful impact to society. This begins with empowering our people and extends beyond our business operations into the communities where we operate.

As a responsible employer, we continue to set the highest standards in terms of employee rights and benefits, occupational health and safety, and workplace diversity. We also adopted precise adjustments in response to the pandemic that underscored our consideration of employee wellbeing, such as digitalising various processes and bridging the technological skill gaps of our employees to nurture a future-ready workforce.

We believe strongly in making contributions to the wider community and initiating activities that may have far-reaching impacts to the collective progress of Malaysian society. Providing education opportunities for underserved communities remains a key pillar in our social framework, and we have been steadfast in rolling out programmes that enhance English language education and provide greater access to learning tools for the underprivileged.

In FY2021, we also highlighted our desire to collaborate with other purposeful social organisations to make a meaningful difference. Under the auspices of Star Foundation, we launched the Star Social Impact Grant, which awards up to RM50,000 to NGOs

and social enterprises to carry out impact-driven and sustainable projects that may better the lives of local communities and the environment we live in.

OPERATING WITH ENVIRONMENTAL CONSCIOUSNESS

Our environmental sustainability framework has become increasingly robust in the past few years. In addition to ensuring compliance with all applicable environmental laws and regulations, we previously identified several key areas in which to focus our efforts and have made significant progress within these scopes during the year under review.

Our mission to support renewable energy sources is epitomised by the rooftop solar facility constructed at our headquarters, which has not only enabled us to generate 447,295 kWh of energy during FY2021, but also contributed a gross revenue of RM528,344 via energy sales to Tenaga Nasional Berhad.

We further expanded our energy monitoring scope during the year to encompass the incidental carbon emissions we generate as a result of our operations, including the fuel we utilise in our vehicles and generator sets. This will enable us to firstly acknowledge the total greenhouse gases we emit and secondly empower us with the insights required to improve our performance each year.

In line with our adoption of sustainable waste management practices and green energy policies, we have continued to upgrade traditional fluorescent tube lighting across all our business premises to energy efficient LED lighting. Besides, at the same time, we are actively engaging with our material suppliers to promote sustainable and responsible sourcing practices that may

help reduce the carbon footprint of our printing activities.

IN CONCLUSION

Star Media Group recognises that the journey towards sustainability is not a sprint to the finish line, but an ever-evolving voyage that continually adapts in tandem with the present economic, environmental and social landscape. While we have made positive progress on the many ongoing initiatives and projects that we have commenced, we aspire to continually and holistically grow our framework in order to adopt an increasing number of best practices across our organisation and enhance our reputation as a responsible corporate entity.

Being able to remain as a constituent of FTSE4Good Bursa Malaysia Index (F4GBM) for the reporting year, following our admission in FY2020, is an apt reflection of our steadfast commitment towards expanding our sustainability agenda in line with the highest global standards. Besides, in FY2021, the Group was also enlisted as a participant of the CEO Action Network, a coalition of diverse leaders of various Malaysian businesses that focuses on sustainability awareness, initiatives, capacity building and performance. However, the true value of our efforts lies in the positive impact that we can bring to the economy, environment, community and our stakeholders, and it is this objective that inspires us to remain vigilant and determined to continually enhance our approach and practices.

We do hope our Sustainability Statement 2021 provides a clear and impartial account of our sustainability agenda and the various means in which we have made progress during the year.

SUSTAINABILITY GOVERNANCE

GOVERNANCE AND FRAMEWORK ON SUSTAINABILITY

To ensure effective leadership, management, and oversight on all sustainability matters, we have adopted a multilateral governance structure that is spearheaded by the leaders of our organisation. With guidance by our Board of Directors (Board), our sustainability agenda is set forth which lean on the leadership of our Group Chief Executive Officer (GCEO) in working closely with key members of our management to identify and address the various issues that may impact our organisation.

Simultaneously, our GCEO maintains the responsibility of managing and monitoring sustainability related matters within our organisation and supports the Board in ensuring that all initiatives are implemented effectively and responsibly. This includes reviewing and deliberating on sustainability issues, assessing risks which may impact the EES sustainability of our operations and reporting on our sustainability performance to the Board.

Besides, we are currently in the midst of fulfilling our underscored commitment towards implementing a Group Sustainability Roadmap by setting up a Steering Committee, Working Group and Project Management Office (PMO). This integrated setup will allow us to harness the collective efforts of the organisation by combining the involvement and participation of key departments whose scope of operations have direct implications on the Group's sustainability performance.

The establishment of these various teams may enhance the quality of feedback the Board is able to receive when undertaking its oversight and further ensures that we have dedicated the appropriate resources required for the Group to achieve its sustainability objectives.

In further evolving our sustainability roadmap, we aspire to integrate and align existing key risk indicators (KRI) with our sustainability material

matters to present a more integrated and holistic view of our sustainability objectives, approach and progress in the future. Further details of the aforesaid framework will be reported in our future disclosures.

CODE OF CONDUCT AND ETHICS

To ensure that the professional conduct of our people continues to reflect the core values and culture of the Group, we have established a Code of Conduct and Ethics (Code) that all Directors, top management and employees are required to adhere to.

The Code explicates all relevant guidelines in dealing with employees, customers and business associates, and provides guidance for conduct and ethics in the context of work environments, company assets, conflicts of interest and other such matters. All related policies that direct these practices and their governance have been put into place and are regularly updated when necessary to ensure their compliance with the latest regulations and ongoing applicability to the Group's processes.

WHISTLEBLOWING POLICY

The Group recognises that to conduct our operations in a responsible and transparent manner, we must provide a fair and objective platform for all parties to confidentially report and disclose matters pertaining to improper conduct. We have therefore established a Whistleblowing Policy that outlines the necessary procedures and protocols in handling such circumstances effectively and objectively.

All such concerns and communications that disclose information that may evidence unethical activity are taken seriously and without any ill scepticism.



If the raised concerns cannot be resolved through normal reporting procedures and by individual department heads, matters are escalated to either the Head of Internal Audit or Chairman of the Audit Committee. In line with our commitment to advocate the reporting of any such incidences, the identities of whistleblowing individuals are kept highly confidential, and they are also afforded protection against any form of reprisal or retaliation, should the matter be reported in good faith.

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

ANTI-CORRUPTION POLICY

The Board appreciates the importance of maintaining lawful and ethical behaviour in all its business activities and has established an Anti-Corruption Policy that stipulates key measures and guided points for the Group to manage and address any risks or circumstances pertaining to bribery and corruption.

The policy was developed in full compliance of all applicable laws and regulations, including Section 17A of the Malaysian Anti-Corruption Commission Act 2009 that came into force on 1 June 2020. It also underscores our zero-tolerance stance against all forms of bribery and corruption under any and all circumstances.

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




STAKEHOLDER ENGAGEMENT

RECOGNISING THE VALUE AND IMPACT OF STAKEHOLDERS

As we navigate through our sustainability journey, our stakeholders have been a crucial element in aligning our approach and performance towards our EES goals. Through constant, two-way engagements with our stakeholders, we have maintained effective communications in gathering feedback and communicating our commitment in addressing them. Their perspectives serve as the foundation of our sustainability agenda as we structure our efforts based on their areas of concern, focusing on sustainability issues that matter to them.

From time to time, the Group seeks to enhance our stakeholder engagement model with both internal and external stakeholders to increase their involvement in our strategies and better address their needs.

| STAKEHOLDER | ENGAGEMENT PLATFORMS |
|---|--|
|  Shareholders/ Analysts | <ul style="list-style-type: none"> → Regular shareholder communications/announcements on Bursa Malaysia including quarterly financial results → Annual general meetings/extraordinary general meetings → Star Media Group's website updates → Investor relations engagement → Analyst briefings → Periodic engagements with equity analysts and fund managers → Annual report and circular/statement to shareholders |
|  Government/Regulators and Policy Makers | <ul style="list-style-type: none"> → Attendance/participation in the Group's events (physical/virtual) → Meetings/discussions (physical/virtual) → Virtual news/information content dissemination platform (through Ministries) |
|  Customers (Business) | <ul style="list-style-type: none"> → Meetings/discussions (physical/virtual) → Town hall sessions → Roadshows/product presentations → Attendance/participation in the Group's events (physical/virtual) → Customer service channels (email and call centre) → Social media (Facebook, Instagram, LinkedIn, Twitter, TikTok, YouTube) → Regular communications via email blasts and monthly newsletters → Sponsorships/donations → Networking lunches/dinners/gatherings → Customer satisfaction surveys → Supplier registration → Training programmes and workshops |
|  Customers (Consumer) | <ul style="list-style-type: none"> → Loyalty programme (for those who subscribe to SMG services) → Reader feedback system (to improve quality of articles) → Star Daily news email alerts → Networking lunches/dinners/gatherings → Customer service channels (email and call centre) → Social media (Facebook, Instagram, LinkedIn, Twitter, TikTok, YouTube) → Regular communications via email blasts and monthly newsletters → Customer satisfaction surveys → Attendance/participation in the Group's events (physical/virtual) → Meetings/discussions (physical/virtual) → Network gatherings (physical/virtual) → Media engagements (press conference) → Training programmes and workshops → Sponsorships/donations |

| FREQUENCY | KEY INTERESTS | HOW STAR MEDIA GROUP ADDRESSES |
|--|--|---|
| <ul style="list-style-type: none"> → Ongoing → Annually → Ongoing → Periodic → Periodic → Periodic → Annually | <ul style="list-style-type: none"> → Economic Performance → Group's Business Direction/Strategy | <ul style="list-style-type: none"> → Quarterly and annual statement briefings → On-demand response to inquiries and meeting requests |
| <ul style="list-style-type: none"> → Ongoing → Ongoing → Ongoing | <ul style="list-style-type: none"> → Business Ethics (Regulation and Compliance) → Public-Private Partnerships → Strong Relationships | <ul style="list-style-type: none"> → Public-Private Partnerships |
| <ul style="list-style-type: none"> → Ongoing | <ul style="list-style-type: none"> → Occupational Health and Safety → Procurement → Group's Business Direction/Strategy → Knowledge Sharing → Business Ethics → Anti-Competitive Practices → Corruption and Instability → Diversity and Equality → Product Innovation → Privacy and Data Security | <ul style="list-style-type: none"> → Data-driven solutioning → Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety' |
| <ul style="list-style-type: none"> → Monthly → Ongoing (for the rest) | <ul style="list-style-type: none"> → The Star cover price cost vs no. of pages (content) → Content direction/balanced reporting → Subscription packages → Product safety and quality → Business ethics → Product innovation → Privacy and data security → Access to finance → Opportunities in nutrition and health → Community investment | <ul style="list-style-type: none"> → Stringent fact checking processes → Refreshed editorial system → Responsive editorial direction |

STAKEHOLDER

ENGAGEMENT PLATFORMS



**Suppliers and
Industry Peers/Partners**

- Visit to supplier for due diligence (physical before lockdown)
- Meetings/discussions (physical/virtual)
- Networking lunches/dinners/gatherings
- Supplier assessment
- Supplier registration
- On-site visit to office/plants/sites etc. (visiting SMG office and vice versa)
- Attendance/participation in the Group's events (physical/virtual)



Employees

- Performance appraisals
- Staff engagement platform (for SMG's 50th Anniversary celebration)
- Town hall sessions
- Union meetings
- Covid-19 alerts and updates
- Regular communications via email blasts and monthly newsletters
- Training programmes and workshops
- Employee feedback forms
- Attendance/participation in the Group's events (physical/virtual)



**Local
Communities**

- Regular communications via email blasts and monthly newsletters
- Customer service channels (email and call centre)
- Social media (Facebook, Instagram, LinkedIn, Twitter, TikTok, YouTube)
- Community-focused initiatives organised by the Company including site visits to NGOs
- Sponsorships/donations
- Media engagements (press conference)
- Attendance/participation in the Group's events (physical/virtual)

| FREQUENCY | KEY INTERESTS | HOW STAR MEDIA GROUP ADDRESSES |
|---|--|---|
| <ul style="list-style-type: none"> → Annually → Ongoing → Ongoing → Bi-annually → Ongoing → Ongoing → Ongoing | <ul style="list-style-type: none"> → Group's business direction/strategy → Procurement → Knowledge sharing → Electronic waste → Environmental compliance → Occupational health and safety → Opportunities in renewable energy → Supply chain labour standards and environmental commitments → Economic performance → Business ethics → Anti-competitive practices → Corruption and instability → Financial system instability → Product innovation | <ul style="list-style-type: none"> → On-site visit to HQ and printing plant → Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety' |
| <ul style="list-style-type: none"> → Annually → Annually → Ongoing → At least twice a year → Ongoing → Ongoing → Ongoing → Ongoing → Ongoing | <ul style="list-style-type: none"> → Human capital development → Equal employment opportunities → Employment benefits and welfare → Business ethics/governance → Diversity and equality → Occupational health and safety → 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', 'Diversity and Equal Opportunity' and 'Employment' |
| <ul style="list-style-type: none"> → Ongoing → Ongoing → Ongoing → Ongoing → Ongoing → Ongoing → Ongoing | <ul style="list-style-type: none"> → Education → Social assistance → Funding → Publicity → Business ethics → Community investment | <ul style="list-style-type: none"> → Education workshops and activities → Star Education Fund scholarships → Funding via Star Foundation → Medical Fund Programme → Wheelchair Programme → Awareness building through editorial campaigns → Refer Material Topic 'Local Communities' |

MATERIALITY MATRIX

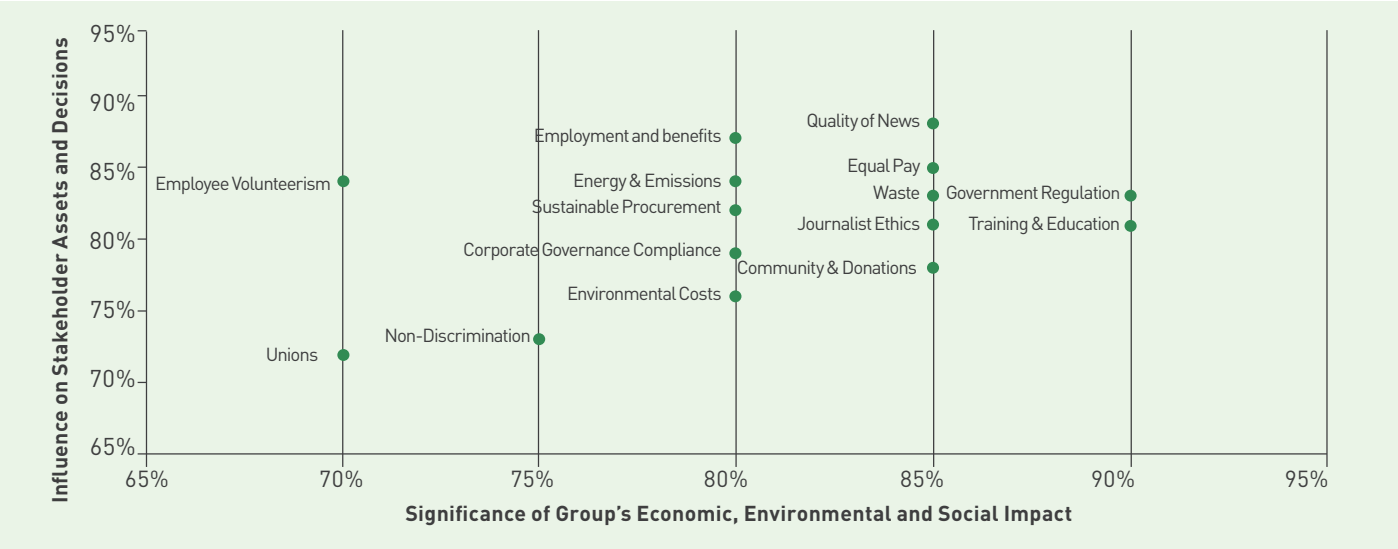
ALIGNING OUR FOCUS ON MATERIAL ISSUES

In FY2021, Star Media Group reviewed its Materiality Matrix with reference to the materiality assessment methodology outlined by the GRI Standards and the materiality assessments from prior years. During the exercise, the Group’s progress on key sustainability matters was taken into consideration, along with the feedback shared by our stakeholders and the ever-changing impact these sustainability issues have on our business.

Through our annual materiality assessment, we aim to evaluate the relevance of key sustainability matters identified previously as well as to pinpoint additional disclosures that may be material to the Group in the upcoming year. As a result, we have acknowledged and taken into consideration the issue of emission within our disclosures for the current year. The issue is presently addressed alongside our initiatives on energy conservation and will be further explored as a standalone key sustainability matter in the future.

Likewise, the following matrix has been maintained which was resulted from the analysis on each sustainability matter against its significance to stakeholders and impact to the Group from an EES perspective.

MATERIALITY MATRIX



OUR SUSTAINABILITY TOPICS AND THEIR RELEVANT GRI TOPIC-LEVEL STANDARDS

In the following sections of the report, our initiatives and achievements over the reporting period in each key sustainability matter are further elaborated. As an overview, the topics covered are summarised in the table below:

| 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 and GRI 305 | Energy and Emissions |
| | GRI 306 | Waste |
| Social | GRI 401 | Employment |
| | GRI 403 | Occupational Health and Safety |
| | GRI 405 | Diversity and Equal Opportunity |
| | GRI 413 | Local Communities |

CONTENT CREATION, SOURCING AND MANAGEMENT

MAINTAINING OUR REPUTATION AS A PROVIDER OF TRUSTED INFORMATION



WHY IT MATTERS

Our status as the leading provider of English language news for the Malaysian public has been established by virtue of the immense trust that our readers place in the accuracy and integrity of our content. We therefore appreciate the important role that the continued reliability and accountability of our information plays in the sustainability of our media organisation.

As a mass medium that is able to reach all corners of the country and impact the national zeitgeist, we also bear a moral duty to ensure any and all content we produce and publish meets the highest levels of credibility and veracity at all times. We therefore place great emphasis on the responsible sourcing, management and creation of content and at the same time ensuring that we display the high standards of journalistic integrity and freedom of expression that is expected from us as a leader within the industry.

OUR APPROACH

Governance and guidelines for Content Teams

We have put into place an effective and comprehensive framework that empowers our content teams to deliver accurate and properly vetted news and content at all times. This includes strict and well-defined guidelines and standard operating procedures (SOPs) that govern all aspects of our content creation, sourcing and management, 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 prior to publishing, 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



Strict guidelines for content on vulnerable audiences, especially children, which includes maintaining anonymity to protect their identity

We have also established controls to address sensitivities towards the '3Rs' i.e. race, religion and royalty. To this end, an external consultant has been specifically engaged to provide an extra pair of trained eyes to analyse content that touches on these three subjects. As an extra level of scrutiny, content deemed potentially problematic is shared with a team of the most senior editors for inspection prior to publishing.

The above guidelines are further accompanied by our adherence to essential journalistic principles, such as the protection of sources and redacting suspect names in crime reports, along with absolute compliance with laws of the land (such as the Child Act, etc.) and additional consultation with civil society to prevent accidental use or misuse of potentially offensive terms and phrases.

Leveraging feedback to stay relevant

As a media outlet that serves the needs of the people, we recognise the importance of keeping our fingers on the pulse of society so that we may grow and evolve in tandem with the ever-shifting media landscape and the evolving

requirements of our audience. We thus provide a wide variety of means through which our readers, viewers and followers are able to provide us with feedback, comments and suggestions.

These channels include letters to the editor, social media comments, emails, panel discussions, forums, conferences, market research and direct feedback received during roadshows. By analysing this feedback, we are consistently able to gain valuable insights on how we can adapt and improve on our content direction or delivery and thus enhance the value we provide to our customers and to society in general. Our Chief Content Officer bears the responsibility in making the final call on which feedback we receive should be addressed and the action that should be accordingly taken.

Meanwhile, specific content-related issues are handled by the relevant desk head, while we also have a dedicated customer support team in place to attend to technical or other issues via phone or email.

Strategic alliance towards content creation

In line with the ambition of Star Media Group and its constant innovative approach towards delivering in-depth and objective media content, the Group has formed a media platform alliance with three other local media providers in FY2021, namely Sin Chew Daily, Sinar Harian and Astro Awani. The alliance which was named "Media in Arms" was established with the goal of enacting a platform whereby expertise, knowledge, experiences and resources among the members can be efficiently shared and utilised. This approach is also to facilitate the development of quality, comprehensive and dedicated content with the opportunity to acknowledge various inputs gathered from different perspectives as potentially shared by each member of the alliance. As a start, the media alliance worked on assessing and deliberating the circumstances surrounding Undi 18, which became our maiden joint report when completed.



ECONOMIC PERFORMANCE

SUSTAINING ECONOMIC VALUE DEVELOPMENT AND DISTRIBUTION



WHY IT MATTERS

As much as the sustainability of our organisation relies on our continued purveyance of high-quality news and content that meets the needs of our audience, it is equally tied to our ability to deliver profitability and growth that meets the discerning expectations of our stakeholders. To ensure our consistent profitability, we must keep a close eye on a diverse range of internal and external influences, such as operational, technological, social and marketplace developments, that may impact our ability to create sustainable economic value and adopt the right business strategies that reflect the current environment.

While the media industry landscape has transformed tremendously in recent times, Star Media Group has remained agile and responded to this evolution through a triple pronged approach that emphasises digital transformation, revenue diversification and the safeguarding of our unrivalled quality and credibility. Through the implementation of insightful strategies within these three focus areas, we have been able to streamline our activities and accrue meaningful contributions to our revenue streams that have placed us on course to deliver robust economic results well into the future.

OUR APPROACH

Oversight on operational and financial performance

A key component of our emphasis in ensuring ongoing fiscal sustainability is an operational and financial review and oversight process that is frequent and multi-faceted. While management reports are reviewed by the Group Chief Executive Officer and submitted for further information to the Board each month, key operational and financial related matters that require discussion and deliberation are raised

during quarterly Audit Committee and Board of Directors meetings so that they may be addressed in a timely and efficient manner.

Strategic KPIs to monitor performance

To ensure that we stay on track to meet our business sustainability objectives, we undertake strict monitoring of the Key Performance Indicators (KPIs) that we have put into place and regularly review our strategic performance to determine if necessary or pre-emptive adjustments are required.

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

Print & Digital business:

- Circulation volume of our printed newspaper and e-Paper
- Comparison of monthly revenue against budget
- Monthly page views and unique visitors to our digital portals

Radio business:

- 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.

Leveraging on digital transformation and existing assets to diversify operations

Following our efforts last year, when we launched TheStar.com.my paywall and other new value-added digital products and platforms, we have continued to make further progress in our digital transformation during FY2021. The highlight of the year was the official launch of our new Malay language online



news portal 'Majoriti'. Touted with the tagline of 'Reflection without Prejudice', Majoriti will serve as an important asset for the Group to grow its audience and clout amongst Malay language readers in Malaysia.

As the pandemic impacted our ability to hold our regular slate of physical events, we nevertheless organised and undertook various virtual fairs and events to maintain our continuous close engagement with customers and stakeholders.

Addressing technological skill-gaps to enable digital transformation

During FY2021, we persisted in prioritising the digital competencies of employees in our bid to develop a future-ready workforce that empowers our evolution into new digital products and applications. Our efforts are focused on first identifying the gap between their existing skills and the required technological skills, before resolving this discrepancy through either self-learning programmes or via physical or virtual classroom-oriented training.

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

As part of our mission to uphold the

quality and credibility of our news and content, while ensuring our continued relevance to the needs of society, we consistently reach out for definitive feedback from our subscribers and customers. This is achieved by conducting regular surveys to gauge their content preferences, likelihood to subscribe and their impression towards the pricing of our packages.

At the same time, we also engage daily with customers and subscribers via our social media platforms, call centres and email to receive feedback on our content, promotions and subscriptions. To further enhance the level of customer service we are able to provide our customers, we are pleased to have deployed a Live Chat service on WhatsApp during FY2021 that provides even greater convenience and accessibility for customers who wish to reach out to our team.

Streamlining operations to mitigate against the impact of Covid-19

In addressing the impact to our business caused by the ongoing uncertainties of the pandemic, we have embarked on various cost saving and restructuring measures to re-strategise and optimise our operations, including manpower rationalisation and realignments where necessary.

During FY2021, a strategic review of our mid- to long-term business direction was undertaken and it was decided that we would cease the operations of Dimsum Entertainment on 30 September 2021. This decision takes into account the challenging business landscape for the video-on-demand model in Malaysia and has allowed Star Media Group to prioritise its resources on other new ventures and opportunities that will further strengthen its position in the industry. The Dimsum Entertainment team has since been redeployed to other business units within the Group to work on various ongoing and new projects in the pipeline.

OUR PERFORMANCE

For the financial year ended 31 December 2021, the Group recorded a total revenue of RM187.11 million, a decline of 4.7% from RM196.42 million in FY2020. Despite the decrease in revenue, the Group managed to narrow its FY2021 losses to RM25.58 million from RM54.10 million in FY2020, if the one-off items which include the reversal of compensation income of RM50.54 million as well as the impairment of assets of RM71.64 million were excluded. For further details, kindly refer to the economic performance of the Group in the Financial Highlights section of this report.

PROCUREMENT PRACTICES

DRIVING SUSTAINABLE PRACTICES AND SUPPORTING THE LOCAL ECOSYSTEM



WHY IT MATTERS

As a leading entity within the national media industry, we not only provide Malaysians with news and content, but also play a role in representing Malaysia to the world. Consequently, we take great honour in promoting a proud 'Made in Malaysia' mentality and place great emphasis on supporting and engaging local suppliers in the course of undertaking our business activities. At the same time, we consider our local procurement policy to be a key strategy for us in ensuring a sustainable and eco-friendly supply chain, helping to support the national economy and nurturing amity amongst the local community.

We believe that our contributions in this aspect can be meaningful, as engaging suppliers for the purchase of raw materials, the production of marketing collaterals and the undertaking of consultancy services forms a core component of our business operations. In addition to our commitment to local procurement, we have also progressively enhanced our oversight towards our suppliers and increased our expectation for high standards of quality and sustainability amongst entities in our supply chain.

OUR APPROACH

Our overarching approach to procurement abides by the comprehensive guidelines set forth by our Procurement Policy, which sets distinct parameters and regulations that empower us to achieve the high ethical and progressive standards we have set for the Group.

Advocacy for responsible suppliers

We believe in prioritising the engagement of suppliers that undertake their business activities in an environmentally conscious and sustainable manner, as it not only reflects the ethos of Star Media Group,

but also often results in higher quality products and services. In engaging suppliers for the printing of our daily newspaper, which requires the highest volume of raw materials, we place emphasis on ensuring our suppliers provide us with materials that have been produced in accordance with top international standards.

- **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** – Our printing ink suppliers are ISO14001 certified, which indicates that they have undertaken initiatives to reduce the environmental impact of ink production and seek to continually improve their performance in this respect.

Prioritising local vendors

Star Media Group maintains a strict policy that gives precedence to the engagement of local vendors, with our definition of a "local vendor" being a supplier whose business operations and manufacturing plants are based in Malaysia. We only engage non-local suppliers when deemed absolutely necessary, such as in cases where there is an absence or a lack of qualified local vendors for a material or service that we require.

Based on the total purchase orders issued during 2021, we are proud to report that a total of 89% of all procurement was through local vendors, with overseas vendors making up the remaining 11% of our procurement activities during the year.

Digitising our procurement processes

In light of the increased adoption of remote working protocols and the need to reduce physical interaction in the office due to the Covid-19 pandemic, we have further simplified and enhanced our digital procurement processes during FY2021. The introduction of an automated procurement system has allowed for paperless operations with regard to the procurement of supplies and has enabled us to increase the efficiency of our remote working practices.

The new system also provides real-time access to valuable information for individual departments and the Procurement Department team, such as details on the purchase orders, approvals and status of each requisition.

Decentralised and autonomy procurement framework

To enhance efficiency and increase transparency, we leverage on a decentralised procurement process that provides specific guidelines and practices that departments must follow when initiating requisition requests. This process is facilitated by our Procurement Department team, which maintains visibility of the entire process via our digital automated procurement system.

When it comes to the sourcing of suppliers, the team maintains an Approved Suppliers List, a catalogue of suppliers that have been approved by the Group, that eases the responsibility of individual departments to source their own suppliers while further ensuring that the Group only engages responsible vendors with sustainable practices. This procedure of sourcing for suppliers is usually initiated through the request for quotations exercise in our procurement system or alternatively, it may be done via open tender procedures for larger projects.

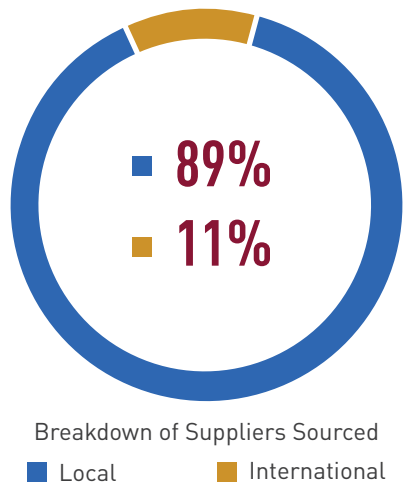
Assessment and enhancement

While we have many processes in place to ensure we engage only with responsible suppliers, we also conducted regular reviews and assessments on our suppliers to verify that their high standards are being maintained. This assessment is carried out periodically by the Procurement Department and focuses on major vendors that supply essential materials and services, such as newsprint or ink suppliers and the storage warehouse companies that store our newsprint. Full assessments are carried out once every six months, while an internal quarterly review is also undertaken for strategic suppliers and/or critical supplies such as newsprint.

We also take measures to safeguard the ongoing effectiveness of our policies and practices in relation to procurement. This is exemplified, with periodic meetings conducted at the Group's headquarters to discuss the latest developments and ascertain if our existing policies require updating to respond adequately to the needs of the current internal and external environment.

OUR PERFORMANCE

For the year under review, we had recorded a total of 547 active vendors. Of this total, 487 vendors were made up of local vendors while 60 vendors were based overseas. This represents a one percent increase in our ratio of local to international vendors, which increased from 88% last year to 89% this year.



ANTI-CORRUPTION

ZERO-TOLERANCE AGAINST ACTS OF BRIBERY AND CORRUPTION



WHY IT MATTERS

As part of our robust approach towards good corporate governance, Star Media Group maintains a strict zero-tolerance stance against any and all forms of bribery and corruption and advocates a high level of ethical business conduct amongst all employees at all times. As a media industry leader, we appreciate the importance of maintaining a reputation of integrity and transparency and recognise that any instance of corruption will significantly impact our credibility and our relationships with stakeholders.

In line with this, any suspected incident of non-compliance with our rules and practices is taken with the utmost seriousness, with a thorough investigation being conducted and stern action undertaken where appropriate to set an example and dissuade future such acts amongst other employees. Trust is at the very core of our relationship with our stakeholders, and we aspire to repay this trust by upholding the highest standards of business and moral integrity.

OUR APPROACH

Our efforts to prohibit any and all instances of corruption is spearheaded by an overarching Group Anti-Corruption Policy, which was crafted to address the specific conditions of the industry we operate in and to ensure full compliance with all regulatory requirements.

Training and awareness

The Group recognises the importance of conducting regular training programmes to ensure awareness and compliance by all employees towards practices and measures stipulated in our Anti-Corruption Policy. We aspire to have all our employees undergo such training but have faced some limitations in our efforts due to ongoing Covid-19 related restrictions and protocols during FY2021. Nevertheless, we have successfully

completed online training on this subject for all employees with access to online platforms and will provide a physical training session for all remaining employees in early 2022.

Given our limitations, we prioritised our Anti-Corruption training activities during the year for employees and departments who are deemed to have greater exposure to the risk of bribery and corruption. A risk assessment with the objective of identifying such job functions and scopes was undertaken through active collaboration with relevant heads of department, and all employees that completed the training were required to acknowledge a declaration form that is compiled and monitored by our Group People Department (Group People). As it now stands, the only employees who have yet to be trained also happen to have the lowest risks of exposure to potential bribery or corruption.

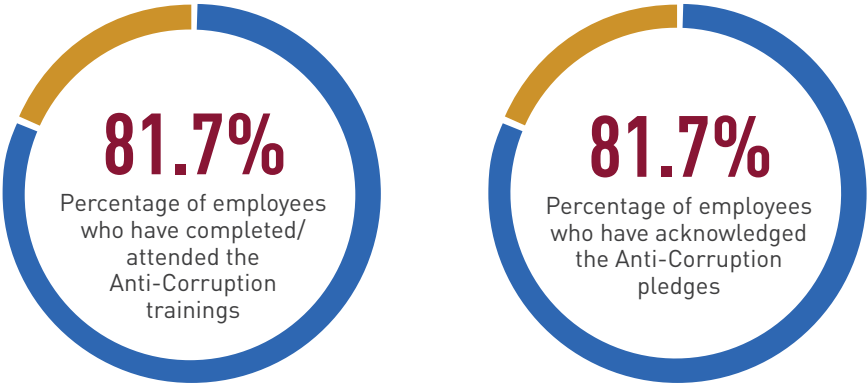
Key policies and procedures

Star Media Group utilises multiple means to promote the effective communication of our Anti-Corruption Policy to our employees, suppliers and stakeholders, as well as to the general public. An abridged policy statement is posted in various locations around our business premises and the full policy is made readily available on our website. At the same time, all employees are required to sign a declaration form upon completing their Anti-Corruption Policy training, with Group People charged with keeping track of employee pledges. When it comes to our vendors, we insert clauses that reflect our zero-corruption stance, and to safeguard the Group's corporate liability, within all contracts with third parties. Any updates to the Group's Anti-Corruption measures or policy are efficiently communicated via email to all employees.

The Group has also put into place a Whistleblowing Policy that provides detailed procedures to facilitate the safe and confidential reporting of any instances of corruption, with this process being communicated to employees during their Anti-Corruption Policy training. Currently, all such whistleblowing reports are first directed to the Internal Audit Department/Audit Committee Chairman, following which Group People is tasked with investigating the veracity of the report. If the matter reported involves a member of Group People or its operations, an alternate department will be deployed to investigate the matter. A summary of findings from any review or investigation undertaken is reported back to the Internal Audit Department/Audit Committee, which will make the decision on appropriate action(s) that need to be taken.

OUR PERFORMANCE

While pandemic related restrictions prevented us from providing Anti-Corruption training to our entire workforce, we are pleased to have completed the training programme for a significant majority of our employees. The remaining 18.3% who did not complete online training during the year are scheduled to undergo a physical training session in March 2022.



MATERIALS

RESPONSIBLE MATERIAL CONSUMPTION



WHY IT MATTERS

As the publisher of the most highly circulated English newspaper in Malaysia, we remain cognisant of the large amounts of raw materials we utilise each day in undertaking our print runs, and the potential impact our consumption of these materials may have on the environment. We have therefore put into place rigorously-implemented policies to ensure that we consistently procure and utilise our materials in the most environmentally conscious manner feasible.

By adopting a responsible and sustainable approach to material utilisation, we are able to remain fully compliant with all applicable environmental laws and regulations, and further enhance our goodwill with government regulators, our customers and stakeholders. At the same time, we recognise our duty as an industry-leading corporate citizen to play an exemplary role in protecting our planet for future generations.

OUR APPROACH

Our monitoring and management of the responsible utilisation of raw materials is overseen by the Print Production and Print Administration Department, which has established the following measures and guidelines:

Utilisation of 100% recycled newsprint paper

One of our key ongoing initiatives to utilise materials responsibly has been to print The Star newspaper on fully recycled newsprint paper. At the same time, we ensure that the recycled newsprint we procure allows us to meet ISO 12647-3 requirements, which is the top international graphic technology standard for the type of printing process we employ, namely Coldset Offset lithography on newsprint.

In line with our ISO 12647 certification, we have established various process control procedures that enable us to accurately verify the quality of our raw newsprint materials, maintain efficient printing practices and produce a high-quality finished product.

Reduction of press run wastage

Making the most efficient use of our raw materials during our print runs is an important priority to us. Not only have we established a variety of process controls to ensure optimal production efficiencies and minimise inaccuracies that may lead to wastage, we also believe in working closely with newsprint manufacturers to procure materials with the exact requirements that enables us to maximise utilisation and minimise press run wastage.

We have set annual KPIs that are used to measure our ongoing performance in waste management. This allows us to identify issues with the newsprint that need to be addressed. If it has been determined that there are serious issues with newsprint quality that may lead to downtime or affect print quality, the Production Department will escalate their concerns to the Procurement Department that oversees the purchase of all our newsprint from manufacturers so that the matter can be rectified, and wastage can be avoided.

Eco-friendly ink usage

As ink is the second most important material used in our print presses, we have placed great emphasis on ensuring that we only use environmentally-friendly and responsibly-produced ink materials that meet the international ISO 2846-2 standard for ink quality. The Procurement Department, which is responsible for sourcing inks that meet our exact requirements, frequently engages third party ink specialists to independently test the colour value and evaluate the transparency of inks from various suppliers to ascertain if they



meet the ISO 2846-2 standards that we require to maintain our newspaper quality.

Concurrently, we maintain close working relationships with ink suppliers so that we may stay updated on the latest industry developments and discover new ink formulations that may be more efficient or better for the environment.

Oversight on efficiency of raw material utilisation

Having put all the above processes and practices into place, we are further committed to keeping a close eye

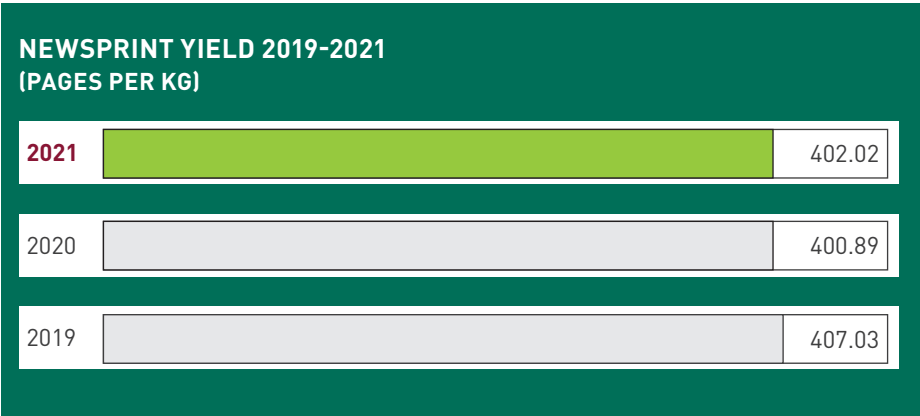
on our performance by tracking and monitoring how efficiently our raw materials are being utilised during our production processes. To do this, we track the quantity of materials input into production and compare it against the output volume of end-products and the waste generated or defects produced during the production process.

This empowers us to efficiently calculate our yield per kilogram of raw material and use this figure as the metric against which to measure our future results. Our close monitoring also underscores our commitment towards improving

our year-on-year performance, and we are continuously seeking to identify other new measures we can undertake to enhance our material consumption and increase the sustainability of our operations.

OUR PERFORMANCE

In FY2021, we successfully improved our newsprint yield per kg by 0.28%, which increased from 400.89 pages/kg in FY2021 to 402.02 pages/kg in the current year under review. For a representation of our performance over the last three years, please refer to the chart below:



ENERGY AND EMISSIONS

OUR EFFORTS IN ENERGY CONSERVATION AND EMISSION REDUCTION



WHY IT MATTERS

Star Media Group is proud to have established a robust energy conservation framework that reflects our innovative approach to mindful energy consumption and management. While our day-to-day operations, including the printing of our daily newspaper, utilise a significant amount of energy, we have balanced this consumption via our pioneering rooftop solar energy generation project, which has enabled us to generate sustainable and renewable energy over the years. At the same time, we have continued to undertake significant measures to reduce our consumption of energy wherever possible and have also begun to calculate our overall carbon emissions with a view to enhance our performance each year.

We believe that it is our responsibility to step up and play a leading role in protecting the planet for the people, and we remain committed to ensuring that we leave a positive impact on the environment and within the communities in which we operate.

OUR APPROACH

Our rooftop solar generation project

Since its installation in 2014, our 500kWp rooftop solar plant has been a prime example of our advocacy for the use of renewable energy and reflects our steadfast commitment towards enhancing energy sustainability within the organisation. We believe that increased adoption of renewable energy sources in the corporate sector can play an important role in reducing our reliance on fossil fuels.

The solar plant is managed by our Facilities Department, which assigns a solar chargeman to manage and monitor the system. The energy that we produce via our solar plant is entirely sold back to Tenaga Nasional Berhad at 100% of the market energy rate and this continues to meaningfully contribute to the Group's annual revenue.

General energy efficiency initiatives carried out during the year

We aspire to continually enhance and optimise our energy consumption each year through the implementation of a wide range of holistic energy efficiency initiatives. During the year under review, we:

- Upgraded 71 traditional fluorescent tube lighting to energy efficient LED lighting. This project was undertaken by the Facilities Department and was overseen by the high tension chargeman.
- Replaced beyond-repair air-conditioner units with upgraded inverted models that consume less energy.



Energy and emission monitoring

To ensure that we make steady progress towards our goal on efficient energy utilisation, our Energy Management Team has continuously performed its key role of monitoring and assessing our energy practices. Besides, the team is also tasked to constantly review and recommend additional energy conservation initiatives that we may adopt to further enhance our practices. Alongside our Energy Management Team, the Facilities Department (for Star Media Hub) and the Building and Property Services Team (for Menara Star) are also tasked to support and facilitate the monitoring of energy consumption and its conservation initiatives at each designated locations. For FY2021, the following measures were taken under the supervision of the teams:

01

Revised the operating hours for our air compressors from between 2pm and 2am to 10am and 2am.

02

Maintained our chiller system operation hours as per reported last year i.e. from 5pm to 2am.

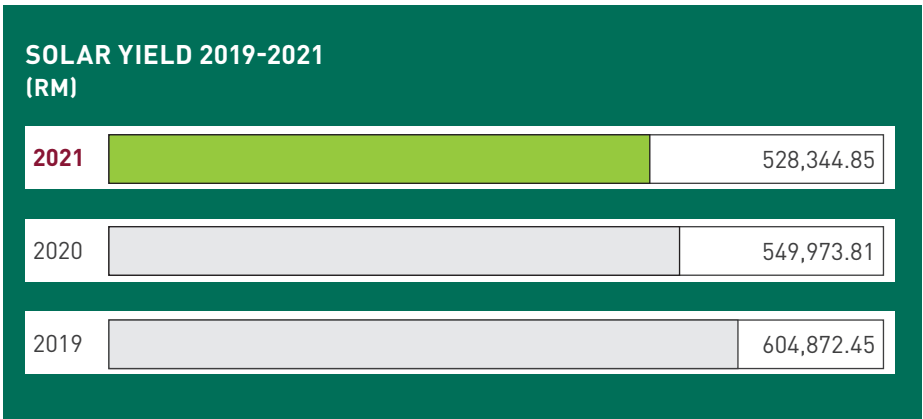
03

Installed Digital Power Meters (DPMs) at all locations to enhance our monitoring of energy usage.

The DPMs that we have installed will play an important role in the next stage of our journey, which is to expand our energy monitoring scope to encompass the incidental carbon emissions we generate as a result of our operations, including the fuel we utilise in our vehicles and generator sets. Hence, for the current year, we have embarked on computing our greenhouse gases emissions for both Scope 1 (i.e., due from the fuel we used in our vehicles and generator sets) and Scope 2 emissions (i.e., the incidental emissions from our electricity consumption). Through better understanding and acknowledgement of the impact in emissions that we generate from our energy consumption, we are empowered to set clear objectives and KPIs to reduce our carbon footprint and drive greater energy sustainability into the future.

OUR PERFORMANCE

The Group continues to achieve the following positive results during FY2021 from our efforts to promote efficient energy consumption and adopt the use of renewable energy.



Solar initiative gross revenue:

RM528,344.85

Total reduction of CO₂
emission from TNB Grid system:

331.44 tonne

Total kwh solar energy generated:

447,295kWh

Total energy saved from energy
conservation initiatives:

**1840kWh/month
(Average)**

Our performance on electricity and fuel consumption alongside its associated carbon emissions record for the current year are reflected below:

| YEAR | 2021 | |
|---|------------------|---------------|
| Total Fuel Consumption by Company Owned Vehicles and Generator Sets (litre) | Petroleum | Diesel |
| | 36,438.57 | 2,229.71 |
| Total GHG (CO2e) Emission (Scope 1) (tonnes)¹ | 88.57 | 5.68 |

| YEAR | 2021 |
|---|-----------------|
| Total Electricity Consumption (mWh) ² | 6,724.723 |
| Total GHG (CO2e) Emission (Scope 2) (tonnes)³ | 3,933.96 |

¹ Scope 1 emissions are derived from our consumption of petrol-powered company vehicles and diesel generator sets. The computation is based on emission factor published by Intergovernmental Panel on Climate Change (IPCC) 2007 and IPCC AR5.

² The total electricity consumption reported is only for our operations at Star Media Hub and Menara Star.

³ Scope 2 emissions are computed based on emission factor published by Institute for Global Environmental Strategies 2021 List of Grid Emissions Factor.



WASTE

PROACTIVE AND RESPONSIBLE WASTE MANAGEMENT



WHY IT MATTERS

The irresponsible generation of excessive waste and the improper disposal of unavoidable production waste can have a devastating impact on our planet. We are therefore extremely mindful of any and all waste that we produce as a result of our operations, especially during the course of printing our daily newspaper.

To ensure best practices in waste management are adopted across the Group, we have developed a robust guiding framework that empowers us to reduce the amount of waste we produce, to adopt recycling practices where possible and to minimise the potential environmental impact of incidental waste that we inevitably generate when undertaking our business operations. In line with our mission to protect the environment for future generations, we are constantly and proactively seeking and adopting new practices and processes that may help us further improve our performance each year.

OUR APPROACH

Compliance with laws and regulations related to waste management

The formation of our Environment Performance Monitoring Committee (EPMC) underscores our commitment towards ensuring full adherence with all applicable laws and regulations pertaining to waste. The EPMC was established in compliance with the Guidelines for Self-Regulation as mandated by the Department of Environment (DOE) and maintains the responsibility for managing all waste-related matters within our operations. The formation of the EPMC provides valuable support for the Group in ensuring that we stay updated on the latest regulatory requirements and that we are able to rapidly and effectively initiate identified initiatives to enhance our waste management practices.

Dedicated approach towards waste management practices

We have established stringent protocols to ensure the proper management, disposal and storage of both general domestic waste and scheduled waste that we generate. Licensed contractors have been appointed to properly dispose our general domestic waste that cannot be recycled, while scheduled waste is collected, stored and suitably disposed by contractors licensed by the DOE. As per the requirements of the Environment Act, scheduled waste is collected on a weekly basis and monitored via the DOE's Electronic Scheduled Waste Information System (ESWIS) system.

A designated competent person is tasked to manage and oversee the extraction, safekeeping and disposal of scheduled waste, which is safeguarded in properly sealed and labelled containers, and stored in access-restricted areas to protect from any potential spillage, misappropriation or unauthorised access. In the rare instance of spillage, we have an Emergency Response Team, complete with a representative trained in handling chemical spillage, who will act swiftly in remedying the situation. All scheduled waste is disposed to licensed contractors within 180 days of its generation.

Adopting responsible recycling practices

We believe that recycling is an important practice that can have a long-lasting positive impact on our planet, and thus we continually aim to expand and intensify our recycling initiatives. All general domestic waste produced that can be recycled is collected and sent to appointed contractors that are able to effectively recycle them for future reuse. These recyclable waste products include, but are not limited to, printing plates, press spoilage, newsprint brown wrappers or side covers, end cores, paper stripping and test run spoilage. We pay close attention in monitoring

our recycling activities to ensure that all recyclable waste is being accounted for. Recyclable products are stored separately and weighed during storage, upon collection and reweighed prior to disposal.

We also emphasise the importance of recycling internally amongst our workforce and especially at our printing plant. One of our initiatives includes the recycling of cleaning cloths that have been tainted with ink or chemicals. Instead of merely disposing and replacing them with new ones, we have appointed a contractor that is able to deep clean these cloths so that they may be returned and reused by our production team. We consistently remain on the lookout for any new measures that we can adopt to increase our recycling practices and enhance the environmental sustainability of our operations.

No. of accidents relating to scheduled waste in FY2021:

ZERO

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) | | |
|--|------------|----------------------------|--------------|--------------|
| | | FY2019 | FY2020 | FY2021 |
| Waste Containing Mercury Compounds | SW 109 | - | - | 0.19 |
| E-Waste | SW110 | 0.22 | - | 0.01 |
| Sludge from WWTP | SW204 | 5.69 | - | 2.93 |
| Spent lubricating oil | SW305 | 1.51 | 0.19 | 1.71 |
| Spent non-halogenated organic solvents | SW322 | 7.20 | 5.44 | 3.20 |
| Containers contaminated with scheduled waste | SW409 | 0.41 | 0.39 | 0.39 |
| Used rags and filters | SW410 | 5.17 | 3.63 | 2.86 |
| Spent activated carbon | SW411 | 1.80 | 1.66 | 1.59 |
| Ink waste | SW417 | 1.03 | 2.78 | 1.43 |
| Total | | 23.03 | 14.09 | 14.31 |

Total Scheduled Waste by Disposal Composition (MT):

| | Recycle | Reuse | Incineration/ Landfill |
|------|---------|-------|---------------------------|
| 2019 | 6.68 | 7.13 | 9.22 |
| 2020 | 3.82 | 0.39 | 9.88 |
| 2021 | 4.57 | 0.39 | 9.35 |

EMPLOYMENT

INSPIRING AND
EMPOWERING
OUR MOST
VALUABLE ASSET –
OUR PEOPLE



WHY IT MATTERS

As an organisation whose sustainability and profitability rely on the news and content that we produce, Star Media Group recognises the fundamental importance of all our various employees that work together to generate content across all our various media platforms. Our people represent our brand, our values and our purpose – they are the primary drivers of our success and are our most valuable assets.

We therefore place significant emphasis on nurturing a workplace that is not only inspiring, inclusive and rewarding, but also one that provides valuable opportunities for personal and professional development. By doing so, we are able to create a harmonious and motivated working culture, while at the same time attracting and retaining the best talents to propel us forward towards achieving our business objectives in the long term.

OUR APPROACH

While the Covid-19 pandemic continued to impact the economy and the industry in which we operate, our ongoing commitment towards safeguarding the wellbeing of our people remained steadfast as we continued to foster a workforce that functioned with optimal efficiency. The following are some of the initiatives we undertook for our employees during the year.

A holistic suite of thoughtful benefits and assistance

The Group takes great pride in providing remuneration packages that are competitive with market standards, a fact that is exemplified by our minimum wage for all workers, including unionised office helpers whose monthly salaries are being set at RM1,500, which is above the regulatory requirement of RM1,200. We also offer our employees a wide

range of medical and leave benefits, especially for new parents. Along with 90-day maternity and 3-day paternity leaves, we provide a grant of RM1,000 to assist new mothers and have designated special nursing room facilities in the office for their comfort. For our executive level employees and above, we have established a flexible benefit system through which they are able to claim health screenings, holiday packages and smart electronics.

We further recognise the importance of maintaining healthy engagement with our workforce and, while our Group People initiatives during FY2021 were streamlined due to the pandemic, we persisted with key initiatives that supported employee welfare. We upheld constant communication and updates with regards to the ongoing pandemic situation and provided additional medical support in the form of covering payments for medical bills that exceeded insurance caps for significant cases such as terminal illness. We also continued to carry out reward programmes to celebrate the achievements of our people, such as the long service awards that we issue to honour our long-serving employees.

Transparent platform for employees' feedbacks

We continue to uphold our strong tradition of maintaining robust and cooperative relationships with the unions to which our employees belong, namely the National Union of Journalists Malaysia (NUJM) and the National Union of Newspaper Workers (NUNW). This helps us to ensure our employees have an effective platform to make their voices heard and that we, by staying attentive to their requirements, are able to foster a workplace that is favourable to both our employees' and the Group's collective success.

Our commitment towards encouraging open lines of communication is further

underscored by our establishment of a grievance mechanism. While general complaints are directly reported to Group People, we have thoughtfully provided a separate grievance process for employee-sensitive matters, such as those related to promotions or salary increments. In addition, this is further supported by our whistleblowing procedures and channel which provide a means to submit a complaint or grievance anonymously.

Focus on professional development for our people

The loyalty of our people, as evidenced by the significant number of employees who receive long service awards each year, is a prime reflection of our commitment towards providing our workforce with valuable opportunities to grow their professional competencies and progress their career within the Group. To this end, we employ a variety of methods to identify and plan training and development programmes for employees, including via recommendations from their Heads of Departments, by means of performance appraisals, as well as through the provision of ad-hoc training as and when required.

Supported by detailed training needs analysis conducted by Group People, we are empowered to provide bespoke training and development opportunities that address the needs of each individual's role within the organisation while complementing their own personal ambitions. In the spirit of continuous improvement, we conduct evaluation exercises at the end of each training programme to gauge its reception, relevance, quality and effectiveness, while at the same time keeping track and monitoring the participation of employees in each training programme via our SAP system. During FY2021, our human capital development initiatives were focused on programmes to

enhance sales, digital and marketing competencies, along with other technical-related workshops.

Ensuring ethical labour practices

Within our business, we have maintained a strong stance in enforcing ethical labour practices, with our internal policies and procedures governing our proper conduct on this matter. We strictly enforce the inhibition of employment of underaged workers, forced or unpaid labour and any form of coercion to work which includes harassment or bullying. Concurrently, we also support the right of our employees to form and negotiate collectively, in a lawful and peaceful manner, i.e., in which we have always supported a constructive relationship with the unions of our employees. With all under consideration, our commitment towards human rights as guided by the International Bill of Human Rights lays another tier to our well-defined foundation for responsible employment practices across the Group. In overall, deterrence of any unethical labour practices is further reinforced by the

active role of Group People in ensuring oversight and control.

OUR PERFORMANCE

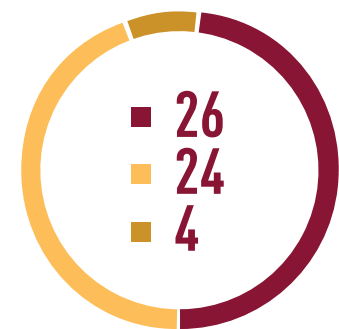
We hope that our efforts during the year have showcased our high level of appreciation towards our employees by creating an inclusive environment that supports a well-balanced working life and equal opportunities for career and personal growth. Overall, our holistic approach aims to strike an ideal balance between ensuring employee welfare and sustaining the success of our businesses. Although turnover of employees was unavoidable during the year, we nevertheless ensured all critical new hires were swiftly undertaken. With consideration that we had managed to sustain a positive rate for recruitment, our turnover rate had been satisfactory given the current market and industry landscape. During the year, the Group has also observed zero cases of non-compliance over our labour practices, and no incidents were noted pertaining to any violations to human rights.

Total workforce headcount by entity

| Entity | Headcount | % of total |
|----------------------------------|------------|-------------|
| Star Media Group Berhad | 673 | 72.13% |
| SMG Business Services Sdn. Bhd. | 121 | 13.0% |
| Star RFM Sdn. Bhd. (1988) | 53 | 5.68% |
| Rimakmur Sdn. Bhd. (Suria) | 33 | 3.54% |
| Star Media Radio Group Sdn. Bhd. | 19 | 2.04% |
| I.Star Ideas Factory Sdn. Bhd. | 4 | 0.43% |
| Star Property Sdn. Bhd. | 12 | 1.29% |
| Magnet Bizz Sdn. Bhd. | 18 | 1.93% |
| Total | 933 | 100% |

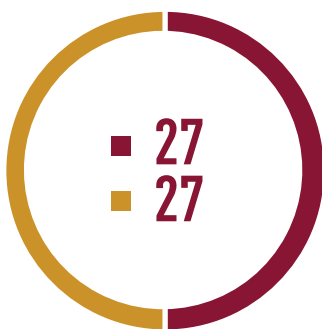
RATE OF EMPLOYEE HIRE

Total New Hires in 2021



Total New Hires By Age

■ Under 30 ■ Between 30- 50
■ Over 50

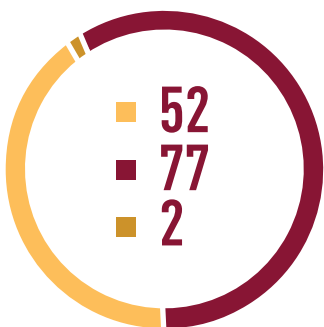


Total New Hires By Gender

■ Female ■ Male

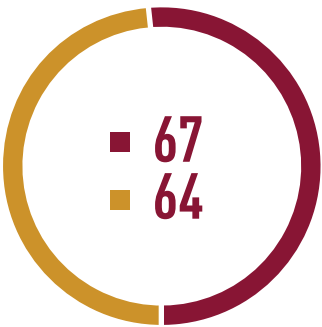
RATE OF EMPLOYEE TURNOVER

Total Employee Turnover in 2021



Total Employee Turnover By Age

■ Under 30 ■ Between 30- 50
■ Over 50



Total Employee Turnover By Gender

■ Female ■ Male

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

15 years – 30 pax
25 years – 37 pax

Number of trainings (internal & external) conducted:

55 sessions

Number of learning hours across training initiatives:

1,292
learning hours

Number of employees trained:

519



OCCUPATIONAL HEALTH AND SAFETY

PRIORITISING THE WELLBEING OF OUR PEOPLE



WHY IT MATTERS

The health and safety of our employees remains a priority for Star Media Group. We believe that by delivering a secure working environment that prioritises the physical safety, security and wellbeing of our people, we can foster greater loyalty, dedication and goodwill amongst our workforce. Furthermore, empowering our workforce to focus on their job functions without the distractions of discomfort or potential hazards enables them to function more efficiently and contribute more to the success of the Group.

At the same time, any potential safety or health violation may negatively impact our reputation or disrupt our working schedules. Given the important role that health and safety plays within our sustainability framework, we continually aim to ensure the adoption of best practices, to maintain full adherence to all regulations and to persistently enhance our efforts wherever possible.

OUR APPROACH

Our efforts to achieve the highest levels of occupational health and safety are driven by our efforts in three key focus areas, i.e. ensuring compliance with leading industry standards, adopting stringent control measures and procedures, and establishing strong governance structures. By leveraging on our efforts within these three pillars, we are well-equipped to maintain strong oversight over our overall objectives while at the same time ensuring our ability to craft workplace-specific policies and action plans when required.

Strict compliance with rules and regulations

The primary endeavour within our health and safety framework is to ensure compliance with all rules, regulations, and guidelines as required by law, including but not limited to the following

Malaysian acts:

- 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 addition to these external regulations, we have also developed our own set of internal policies and procedures, such as the Safety Manual and Work Instructions, that provide more specific guidelines to our operations and work environments. These guidelines were developed in accordance with MS 1722:2011 Occupational Safety and Health Management Systems standards and are periodically reviewed and updated when required.

Adopting stringent control measures and procedures

We have implemented safe operational procedures for all high-risk activities to ensure we undertake the appropriate health and safety precautions at all times, especially when carrying out potentially hazardous tasks. These SOPs were derived following our Hazard Identification, Risk Assessment and Risk Control (HIRARC) exercises. We expect similarly high standards of safety practices from our contractors and require them to submit their safe work methods and attend safety briefings conducted by our health and safety representatives before commencing work.

Fire safety continues to be a key priority, especially at our printing plants. In line with our adherence to the Fire Services Act 1988, we have prioritised and successfully completed the annual renewal of our Fire Certificate for all our premises. In line with our compliance, comprehensive precautionary measures in place are constantly checked and upkept. These include fire hydrants, water sprinklers, water tankers, fire extinguishers and fire alarm systems,

amongst others. In specific to regular maintenance, fire extinguishers are maintained and replaced on an annual basis by a third-party vendor, while our fire systems are inspected every three months by their respective original equipment manufacturer.

We also recognise the importance of ensuring the proper maintenance of our heavy machineries, such as the hoisting systems and pressurised vessels. To this end, we have appointed an external consultant that is tasked with ensuring our ongoing compliance with all recommended regulations put forth by the Department of Safety and Health (DOSH). The consultant also acts as a liaison with DOSH officials during the inspection and the annual certificate renewal process, which is handled by the Facilities Department at Star Media Hub and assisted by the Building and Property Services Team.

As always, we continued to organise regular health and safety trainings for our staff, which includes the following undertaken during FY2021:

- Annual Audiometric Test;
- Chemical safety (undertaken once every 2 years);
- Scheduled waste;
- Safety induction for new employees and third parties, such as contractors, in which a permit to work will be issued upon completion of the briefing; and
- Hearing conservation (specifically for Star Media Hub).

The Group has once again successfully conducted a noise risk assessment during the year with the assistance of a third-party consultant. We recognise the importance of protecting our employees from afflictions caused by high levels of noise in our production areas and have previously installed a noise haven booth to provide auditory relief when needed. We have also ensured that any employees found with hearing

impairment are referred to Group People for follow-up medical inspection by an occupational doctor.

Lastly, in order to ensure the convenience of access and safety for any differently-abled individuals, the Group has also installed and maintained ramps, chair lifts in auditoriums and accessible toilets at our business premises.

Robust governance structures in addressing health and safety matters

Star Media Group continues to leverage on its three major Occupational Safety and Health (OSH) committees to provide oversight and governance on all health and safety matters. As per OSHA requirements, these committees are based in our office premises that have 40 or more employees i.e. at Menara Star, Star Media Hub and The Star Pitt Street.

These committees comprise of a 50/50 balance of representation from management and employees, and maintain the responsibility for recording, managing, investigating and addressing all incidents, accidents, near misses and property damages across the Group. Our OSH Committees are supported by two Emergency Response Teams (ERTs), which are separate working groups located at Menara Star and Star Media Hub that monitor, manage and act upon all emergency health and safety matters that occur on site. The Group has outlined an organisational chart that delineates the roles of our OSH Committees and ERTs, with one member of each ERT invited to participate in all OSH Committee meetings. Besides that, we are also currently in the midst of revamping the structure and organisation of our ERTs due to recent reductions in our manpower.

Addressing the risks and impacts of Covid-19

Our Covid-19 task force, which was established in 2020, has continued

to play its important role under the oversight of Group People, in safeguarding our employees during the uncertainties of the pandemic. The task force is charged with mitigating the impact of the pandemic to our operations and spearheads all day-to-day matters pertaining to Covid-19, including but not limited to:

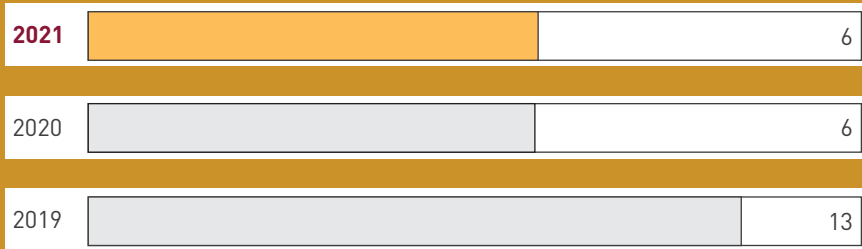
- Constantly monitor local news and key developments pertaining to the pandemic in order to provide useful and timely updates and SOPs for employees;
- Enforce and monitor the provision of personal protective equipment (PPE), such as masks, gloves, sanitisers etc. to employees identified by Heads of Departments as having higher risks of exposure due to the nature of their work; and
- Carry out rigorous internal contact tracing and testing should any employees or internal parties be identified as close contact with a Covid-19 positive patient or have tested positive themselves.

In addition, we have maintained our flexible working arrangements, whereby employees are split into teams and come into the office on a rotation basis. This is to support social distancing and therefore create a safe workplace.

OUR PERFORMANCE

Star Media Group has continued to treat health and safety as one of our chief priorities across our operations and we aim to achieve exemplary performances year upon year. To this end, we are pleased to report that we have successfully maintained the number of incidents that have occurred to a bare minimum and most importantly that we have had zero lost man-days due to injury during FY2021.

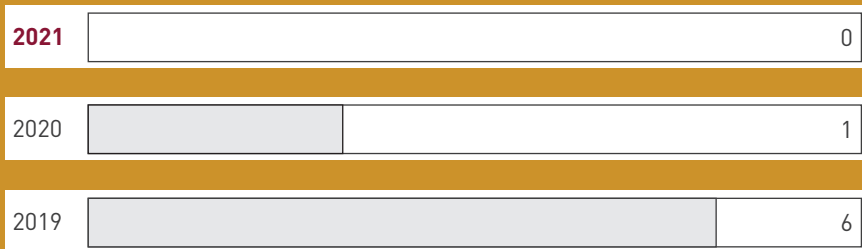
NUMBER OF ACCIDENTS/INCIDENTS



Percentage of management representation within OSH Committee:

50%

TOTAL LOST TIME INJURIES/MAN-DAYS



DIVERSITY AND EQUAL OPPORTUNITY

ADVOCATING
EQUALITY AND
INCLUSIVENESS
WITHIN OUR
WORKING
ENVIRONMENT



WHY IT MATTERS

We recognise the value of promoting diversity and equal opportunity amongst our workforce as a fundamental strategy to enhance the value we are able to provide our people, customers and stakeholders. A diverse yet harmonious workforce is better equipped to bring a wide range of different ideas, experiences and viewpoints to the table, which in turn will allow our teams to make more innovative and better-informed decisions. At the same time, our commitment to providing equal opportunities to all employees regardless of their background ensures that all our talents are evenly recognised and rewarded for their efforts, and thus remain motivated to give their best for the Group. Correspondingly, we place great emphasis on enshrining the merits of diversity and equality within our practices so as to better harness these benefits and enrich the overall performance and sustainability of our business.

OUR APPROACH

At the core of our approach to diversity and equal opportunity is our commitment towards treating all employees equally and without any bias with regard to their age, gender, race, religion, nation of origin, sexual orientation, political and any other affiliations. We have ingrained these responsibilities within our recruitment practices and at all levels of our operations.

Transparent and objective employee recruitment and career progression

We have established a recruitment policy that clearly reflects our principles in this matter and dictates the importance of treating all potential candidates equally and without any discriminatory bias. We therefore utilise strict evaluation criteria that focuses on assessing prospective new hires solely on their merits and suitability for their job roles.

A similarly impartial approach is applied when evaluating employees for promotion and career progression opportunities within the Group. Our well-established practice of providing equal prospects for all demographics has empowered us to achieve a diverse representation across our organisation, both amongst our employees as well as within our governance bodies.

Fair and merit-based training initiatives

With training and development being an important tool for us to strengthen the competency of our workforce and enhance the long-term sustainability of our business, we recognise the magnitude of employing a purely merit-based and non-discriminatory approach when allocating such opportunities for our people. While we also focus additional resources to provide opportunities for young talents to fast track their career progression, our overall approach to training needs is one that allocates opportunities based purely on job scope, career development requirements and the need to acquire new skill sets due to technological advancements. Our Group People is tasked with ensuring our training initiatives reflect our policies and principles, and unbiasedly providing our talent with the resources they need to develop their skill set, regardless of their background.

Proper structure for reporting issues on discrimination

While all efforts are made to ensure our policies and practices on diversity and equal opportunity are effectively adopted and adhered to across the Group, we recognise the importance of implementing effective mechanisms for employees to highlight potential practices that may be contrary to our accepted code of conduct. This is especially important given the fact that we have various divisions operating with some level of autonomy in different locations around the country. We have

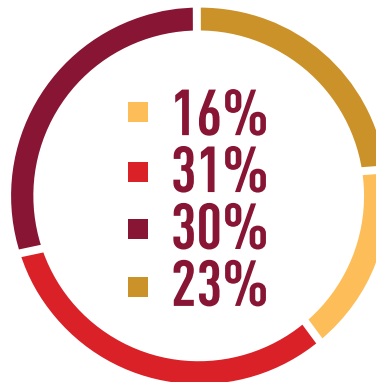


thus established a Whistleblowing Policy and grievance mechanism that provides a safe and confidential platform for employees to report incidents or issues related to unfair treatment or discrimination. Issues that cannot be resolved through standard reporting procedures will be escalated to Group People or any other governance body within the Group, such as our Audit Committee, if necessary.

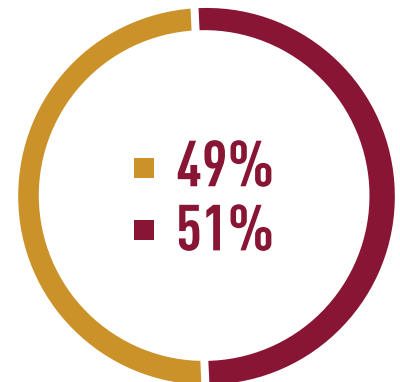
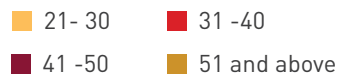
OUR PERFORMANCE

Star Media Group continually aspires to achieve high standards of professionalism in the fair and unbiased treatment of our employees. In line with this, we keep a close eye on the KPIs that reflect the composition and diversity of our workforce so that we can identify areas for improvement and implement the necessary policies for course correction.

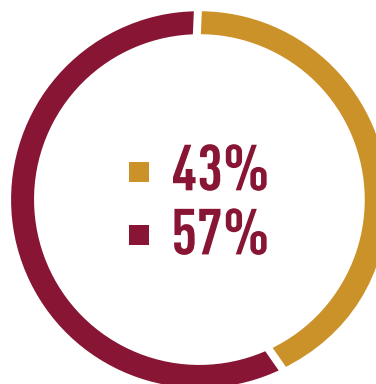
To this end, we are pleased to report that we have continued to maintain a workforce that is appropriately diverse in terms of age, gender and race, and will continue to uphold our established principles and policies to preserve a working culture that is inclusive and free from discrimination.



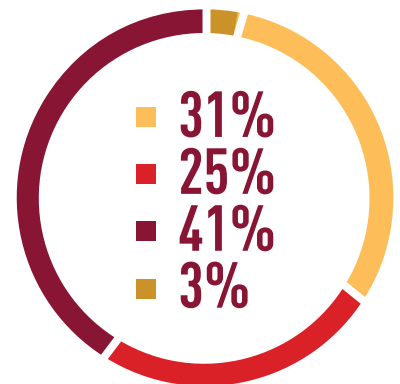
Workforce Age Composition



Employee Gender Composition



Women Representation in Senior Management



Workforce Ethnicity Composition



COMMUNITY INVESTMENT

AMPLIFYING OUR SUPPORT FOR THE COMMUNITY

1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

WHY IT MATTERS

In our role as a news outlet that keeps society abreast of the state of the nation, we are privy to a first-hand understanding of the ongoing difficulties faced by underprivileged individuals and communities. While it is imperative that we use our clout as a media organisation to raise nationwide awareness on such community issues, we also consider it our duty to contribute as much resources as possible to affect positive change within these segments of society. To this end, we are proud to extend our resources each year to a wide variety of non-governmental organisation (NGOs), while at the same time undertaking various ongoing and new initiatives that are aimed at improving the quality of life for many needy Malaysian communities and groups. In doing so, we are able to contribute to the sustainability of not just our own organisation, but also of the various charitable organisations around the country that we regularly support.

OUR APPROACH AND PERFORMANCE

Since its establishment as our charitable arm in 2004, Star Foundation has been responsible for raising, receiving, and administering funds for social causes. Star Foundation manages both public donations as well as contributions from Star Media Group and is governed by a Board of Trustees that meets at least twice a year to review and approve applications for donations that have been vetted by the Star Foundation team. Highlights of some of our key community investment activities carried out during FY2021 are as detailed below.

Providing support and contributions to NGOs

A primary objective of Star Foundation is to offer financial support to a wide variety of NGOs across the nation to assist them with their operational expenses, and upgrading of facilities.

During FY2021, we contributed a total of RM722,500 to 37 NGOs nationwide in the following categories:



The following is a list of NGOs that we provided assistance and support to during the year:

- Yayasan Orang Buta Malaysia
- Persatuan Kasih Sejati
- Rumah Kebajikan Rita
- The Spastic Children's Association of Selangor and the Federal Territory
- Pertubuhan Rumah Anak Yatim Berkat Kasih
- Pertubuhan J/K Pengurusan Rumah Orang-orang Tua Seri Kembangan, Selangor
- Persatuan Kebajikan Misi MahaMetta Kuala Lumpur dan Selangor
- Persatuan Sukarelawan Berkat Kasih Johor Bahru, Johor
- Johore Association for Mentally Retarded Children
- Pusat Jagaan Warga Istimewa Kempas, Johor Bahru, Johor
- Persatuan Kebajikan Orang Kurang Upaya Xi Le Er Malaysia
- Yayasan Rotary Pontian, Johor
- Pertubuhan Rumah Perlindungan Wanita/Kanak-kanak (Didera) Seremban Negeri Sembilan
- Pertubuhan Kebajikan Amal En Xin Negeri Sembilan
- Pertubuhan Kebajikan Amal Charis Mantin Negeri Sembilan
- Persatuan Kebajikan Shemariah
- Pertubuhan Kebajikan Kanak-kanak Yatim & Miskin Wawasan Port Dickson, Negeri Sembilan
- Persatuan Kebajikan Kanak-kanak Yatim Rumah Visi (Vision Home), Ipoh, Perak
- Pertubuhan Pengurusan Rumah Anak-anak Yatim Dan Miskin 'Anning' Ipoh, Perak
- BOLD Association for Children with Special Needs, Penang
- Persatuan Orang Pekak Terengganu
- Sunshine Cottage Welfare Society, Kulim, Kedah
- Pusat Jagaan Orang Tua Jireh
- Kelab Belia Transformasi Jalan Dutamas
- Edspace Projects Sdn. Bhd.
- Pertubuhan Kebajikan Yesuvin Mahligai (YM) Selangor
- Persatuan Rumah Kanak-Kanak Ini Disayangi (K.I.D.S) Selangor
- Pusat Jagaan Rumah Orang-Orang Tua (PKK) Simee
- Hope Mission Welfare Society of Teluk Intan Perak
- Majlis Pusat Kebajikan Semalaysia, Daerah Batang Padang, Rumah Sejahtera Bidor
- Majlis Pusat Kebajikan Semalaysia, Daerah Tanjong Malim, Rumah Sejahtera
- Hospis Malaysia
- Persatuan Hospice Ark, Johor Bahru, Johor
- Pertubuhan Perkhidmatan Hemodialisis Nor Kasih Larut Matang dan Selama, Perak
- Yayasan Pendidikan Insani
- Kelab Kiwanis Kluang Mandarin, Kluang, Johor
- Perak Association for the Intellectually Disabled

Wheelchair Programme

Our Wheelchair Programme, which was initiated in 2017, has continued to be a beacon of hope for individuals in need of mobility support. Star Foundation accepts applications from both individuals as well as NGOs and performs due diligence before seeking approval from the Board of Trustees. During FY2021, 16 eligible applicants were selected to receive wheelchairs under this programme, raising our all-time total to 227 units.

Medical Fund Programme

The objective of our Medical Fund Programme is to provide financial support to underprivileged individuals aged 21 years and below who are suffering from chronic illnesses. Such cases may be brought to our attention through hospitals or by the patients themselves. Following due diligence by the Star Foundation team, consultations with our panel of doctors and a review by our Board of Trustees, approved beneficiaries will have their surgery costs covered and also receive a small donation to support their convalescence. We then leverage on the reach of our platforms to publish stories on these individuals in order to raise funds both from the general public as well as from corporate entities.

Backed by generous public donations, Star Foundation was able to support two young children with congenital heart conditions during FY2021. One of the surgeries was completed in the year with a cost of RM35,775 while the second surgery had to be postponed to February 2022 due to unforeseen medical circumstances. We are pleased to report that the collective efforts of Star Foundation along with rallying support from the nation have brought about marked improvements in the health and wellbeing of these recipients.

Star Social Impact Grant

In our mission to continually expand the scope of our support to the community, we are pleased to have launched a new initiative in FY2021 that is aimed at

backing purposeful social organisations in their mission to carry out impact-driven and sustainable projects that may better the lives of local communities and the environment we live in. The response to this programme has been immense, with over 100 applications received during the 6-week application window. The following are the four organisations and their respective projects that were successfully awarded a grant of RM50,000 each during the year:

| |
|--|
| VISION TO TRANSFORM |
| Economic Recovery Programme for Vulnerable Communities to Increase Income and Improve Livelihood |
| HOPES MALAYSIA WELFARE ASSOCIATION |
| Rural Crop Diversification via Vermiculture Project |
| SELANGOR AND FEDERAL TERRITORY ASSOCIATION FOR THE MENTALLY HANDICAPPED (SAMH) |
| SAMH Agriculture Project to Empower the Mentally Handicapped through Farming Skills |
| PERTUBUHAN PEMBANGUNAN WANITA TAMARAI PULAU PINANG |
| Button and Hook - Learn In: Empowering Women through Tailoring Skills |

Star Golden Hearts Award
Since its launch in 2015, the Star Golden Hearts Award has been one of our most highly anticipated initiatives each year, as it recognises the contributions of ordinary Malaysians who have gone



above and beyond to make meaningful contributions to society. The winners are selfless individuals or organisations who have made a positive impact to society and promoted national unity among the people.

In FY2021, we received 450 nominations and selected ten deserving winners, including two that received the coveted Gamuda Inspiration Award. We are pleased to have received feedback from the winners that the publicity exposure provided by The Star has subsequently helped them garner more support from the general public, be it in terms of donations or volunteers.

Helping those afflicted by crises
In addition to our ongoing community support initiatives undertaken each year, we also sought out opportunities to provide coverage for those most afflicted by the pandemic and offer financial support to underprivileged Malaysians who were struggling to make ends meet.

We played our role in this endeavour by leveraging on our media strengths to publicise the efforts of NGOs serving needy communities during the Covid-19 pandemic and flood crisis. These publicity efforts were successful in rallying more Malaysians to support the NGOs directly

through the provision of donations or by volunteering their time.

Star Foundation also collaborated with Carlsberg Malaysia and NGO partner MyKasih Foundation to contribute RM200,000 to help underprivileged Malaysians in a Chinese New Year food aid charity campaign entitled “Celebrate Prosperity, Cheers for Tomorrow”. A total of 400 families received RM500 each, which was debited into their MyKad via MyKasih’s cashless aid distribution and enabled them to purchase essential items at participating outlets near their locations. The beneficiaries were located across six states, namely Johor, Kedah, Pahang, Perak, Selangor and Terengganu.

Another community support endeavour undertaken during FY2021 was a flood relief initiative carried out by our Suria DJs and staff. Dubbed #misibantuanbanjirsuria, the initiative saw both Suria DJs and staff members participating in post-flood clean-up operations in Pahang, which was one of the states most affected by floods in December 2021. The team also provided essential supplies inside the “beg bantuan Suria” to 100 households of affected victims.

QUALITY EDUCATION

DRIVING EDUCATION FOR ALL

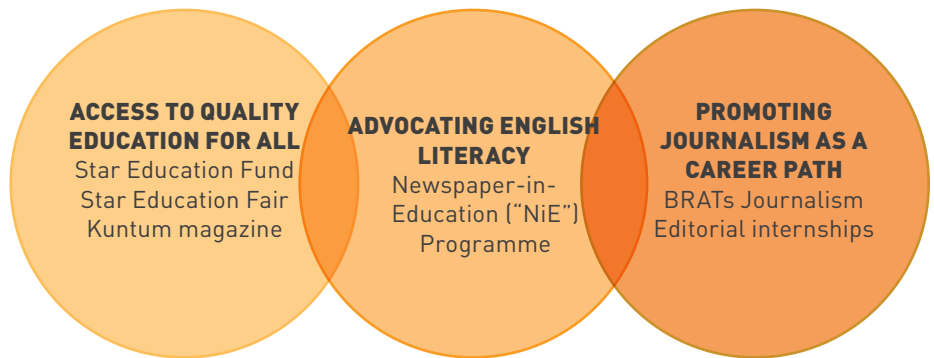


WHY IT MATTERS

Our mission to empower educational progress and English language literacy has been a key facet of our sustainability approach for many decades. News and education are fundamentally linked, and as a leading national media company, we consider it our duty to nurture a society that is well-informed, keen to learn and well-versed in language. We also play a significant role in promoting journalism amongst Malaysian youth. While these efforts do benefit our organisation in the long run, as it ensures our ongoing relevance to society and sustains the demand for our content, we are primarily driven by the prospect of making a lasting and meaningful change in the lives of those that participate in our programmes.

OUR APPROACH AND PERFORMANCE

Our initiatives within the realm of education can be categorised into three broad categories, and we consistently develop and execute a variety of programmes and initiatives under each of these themes. Some of our longest running initiatives, such as our Star Education Fund and Kuntum magazine, have been supported and sustained by the Group for more than 20 years.



Star Education Fund

Since 1994, Star Education Fund has provided an invaluable helping hand to aspiring students aged 17 to 25 who require scholarships to undertake their desired field of study. The fund is managed by a dedicated unit that helps to ensure a comprehensive range of courses from various credible educational institutions is available under the programme, ranging from diploma courses to professional certifications across both arts and science curriculums. The unit is also responsible for undertaking a fair and transparent review of each application according to a set of predefined guidelines so that funds may be distributed in the most impartial manner possible.

Two tiers of scholarships are provided, with Tier 1 being fully sponsored by Star Media Group with the caveat that students will be bonded to the Group following completion of their studies, and Tier 2 being a collaborative sponsorship effort between us and 30 private tertiary institutions that we are currently partnered with. In FY2021, we provided scholarships to 113 deserving students with a total combined value of RM7.82 million.

113 scholarships worth
RM7.82 million
provided to worthy students

62.8% (71) of scholarships awarded to females
while **37.2% (42)** awarded to males

Newspaper-in-Education ("NiE") programme

Recognising the potential of our newspaper as an excellent platform to reach students across the country, we continue to leverage on The Star to deliver quality educational content.

Since 1997, The Star's NiE programme has supported English language teaching and learning in primary and secondary schools nationwide. Through our teacher and student workshops, annual contests and monthly English language resources for classroom use over the years, participants of the programme showed marked interest in the language and progress in their proficiency.

Within the nine issues of the NiE resource published in 2021, we offered students educational, interactive and stimulating content that was curated by experienced English language specialists. Our content was also devised in accordance with the national syllabus of Malaysia and was endorsed by the Ministry of Education.

Our NiE programme is continuing its role of promoting the use of English language through a weekly activity page in StarEdu, an education pullout in Sunday Star. These activities are suitable for use individually and in groups, at home and in the classroom, across varied proficiency levels. Parents and teachers are encouraged to work on the activities with their children and students.

A platform for budding young journalists

Supporting the ambitions of young aspiring journalists is an initiative

that is close to our hearts as a media outlet, and the BRATs Young Journalist Programme run by our NiE team has been the platform through which we have undertaken our efforts in this area for many years. The BRATs programme empowers the journalistic development of students aged 14 to 22 by providing guidance and mentorship and giving them the opportunity to write and submit articles for publication in StarEdu.

Students keen on joining the programme are required to submit essays before being potentially selected. All articles produced by these selected students throughout the year-long programme will be vetted by our NiE team, and those deemed to be worthy of publication will be published.

Students who display the most potential or enthusiasm will be given a valuable chance to participate in our one-month editorial internship programme, where they will have the opportunity to assist and accompany senior journalists during their daily job routines. Due to the ongoing pandemic, this internship programme is currently on hold but will resume as soon as circumstances permit.

Supporting frontliners with Kuntum Bersamamu

Continuing on from our efforts last year, we once again distributed complimentary copies of our educational magazine Kuntum to the families of frontliners, such as healthcare workers, police and firefighters. In FY2021, we distributed a total of 8,980 copies across 16 drop points across Malaysia.



GRI

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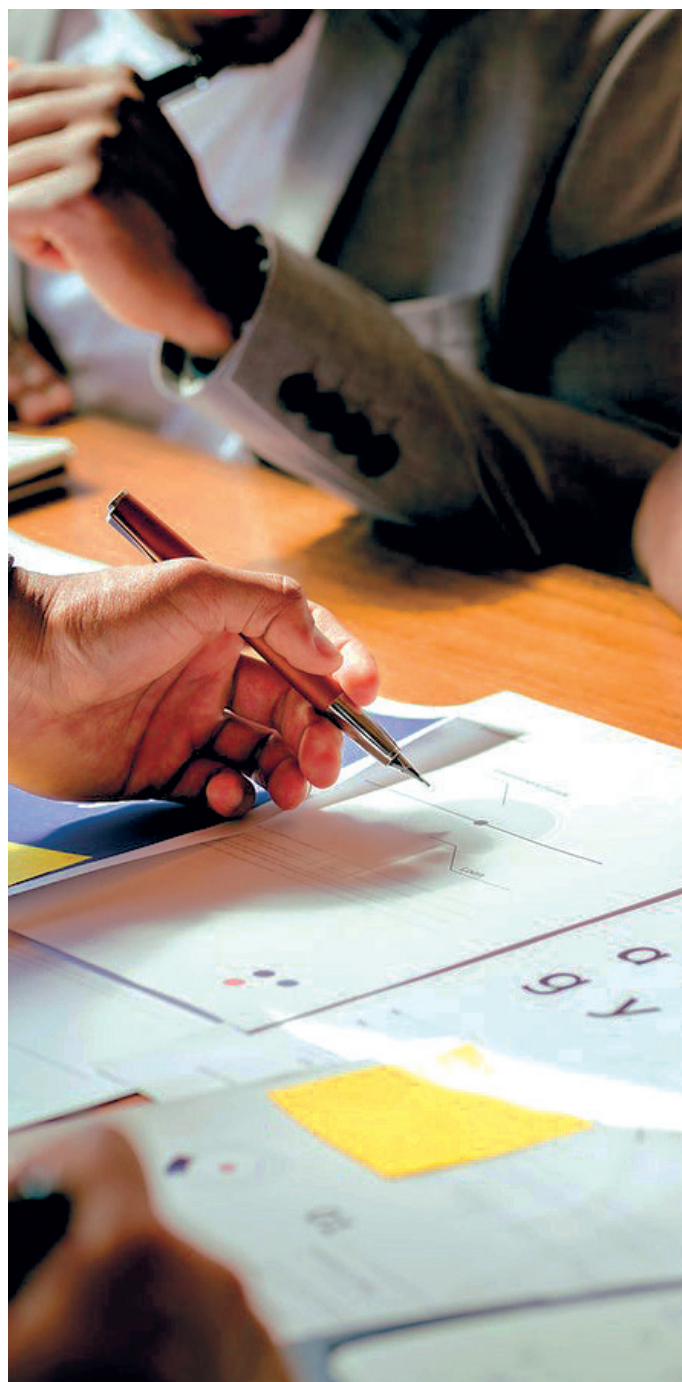
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FINANCIAL STATEMENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Tan Sri Dato' Seri Chor Chee Heung (Chairman)*
Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon
(Deputy Chairman)
Dato' Dr. Mohd Aminuddin bin Mohd Rouse
Mr. Choong Tuck Oon*
Madam Wong You Fong*
Mr. Chan Seng Fatt*
Mr. Loh Chee Can*

** Independent Non-Executive Director*

AUDIT COMMITTEE:

Mr. Chan Seng Fatt* (Chairman)
Dato' Dr. Mohd Aminuddin bin Mohd Rouse (Member)
Mr. Loh Chee Can* (Member)
Mr. Choong Tuck Oon* (Member)

** Independent Non-Executive Director*

SECRETARY:

Hoh Yik Siew (MAICSA 7048586)

AUDITORS:

BDO PLT (LLP0018825-LCA & AF 0206)
Chartered Accountants

Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia
Tel: 03 - 2616 2888
Fax: 03 - 2616 3190

REGISTERED OFFICE:

Level 15, Menara Star
15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Tel: 03 - 7967 1388
Fax: 03 - 7954 6752

PRINCIPAL BANKERS:

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

REGISTRAR:

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
Tel: 03 - 2783 9299
Fax: 03 - 2783 9222

STOCK EXCHANGE LISTING:

Main Market of Bursa Malaysia Securities Berhad

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 2021.

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 10 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 | (132,430) | (105,124) |
| Attributable to: | | |
| Owners of the parent | (132,359) | (105,124) |
| Non-controlling interests | (71) | - |
| | (132,430) | (105,124) |

DIVIDEND

No dividend has been paid, declared and proposed by the Company since the end of the previous financial year. 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.

SHARE BUY-BACK

The shareholders of the Company, at an Extraordinary General Meeting held on 18 May 2005, approved the proposal to repurchase up to 10% of its own shares ("Share Buy-Back") of the Company. The authority granted by the shareholders has been renewed at each subsequent Annual General Meeting. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy-Back is in the best interest of the Company and its shareholders. The Company did not repurchase any shares from the open market during the financial year.

Directors' Report (cont'd.)

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

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. Terence Raj A/L John Jaganathan
Ms. Wang Chen Choo
Ms. Esther Ng Sek Yee
Mr. Au Chen Sum
Ms. Soh Sze Jean
Ms. Chua Yi Xuan Patria^
Ms. Lee Yoe Kong^
Mr. Victor Ng Fook Ai*
Mr. Kang Yew Jin*
Ms. Lam Swee Kim*

^ Appointed during the current financial year

* Resigned during the current financial year

DIRECTORS' INTERESTS

The Director holding office at the end of the financial year and his beneficial interest in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia was as follows:

| | ← Number of ordinary shares → | | | |
|------------------------------------|-----------------------------------|--------|------|--------------------------|
| | Balance as at date of appointment | Bought | Sold | Balance as at 31.12.2021 |
| Shares in the Company | | | | |
| Direct interest | | | | |
| Tan Sri Dato' Seri Chor Chee Heung | 750,000 | - | - | 750,000 |

None of the other 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 2021 was RM39,048.

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

(II) 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 all known bad debts had been 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 for the reversal of compensation income of RM50,542,000 as disclosed in Note 29(c) to the financial statements and impairment of plant and machinery in relation to the print and digital segment of RM71,531,000 as disclosed in Note 5 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 render the amounts written off for bad debts or 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 EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 33 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 2021 are disclosed in Note 23 to the financial statements.

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

.....
Tan Sri Dato' Seri Chor Chee Heung
Director

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

Petaling Jaya
21 March 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 126 to 201 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 2021 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,

.....
Tan Sri Dato' Seri Chor Chee Heung

Director

Petaling Jaya
21 March 2022

.....
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 126 to 201 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)
21 March 2022)

Before me:

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 2021 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 126 to 201.

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 2021, 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 International 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 (loss)/profit margins and terminal value, 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 (loss)/profit margins, growth rates and terminal value, 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 2021, trade receivables of the Group and the Company were RM29,663,000 and RM26,007,000 respectively, as disclosed in Note 13 to the financial statements.

The Group and the Company have further impaired trade receivables amounted to RM599,000 and RM514,000 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.

Key Audit Matters (cont'd)

c) *Impairment assessment of the carrying amount of plant and machinery in relation to the print and digital segment of the Group*

As stated in Note 5 to the financial statements, the carrying amounts of plant and machinery in relation to the print and digital segment of the Group and of the Company amounted to RM27,609,000 (net of impairment losses) as at 31 December 2021 have indications of impairment. As such, the management has performed impairment assessment on this CGU.

During the financial year, the Group and the Company recognised impairment losses of RM71,531,000 on plant and machinery in relation to the print and digital segment of the Group and of the Company as the carrying amounts of these plant and machinery exceeded their recoverable amounts based on value in use determined under the expected cash flow approach.

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 these plant and machinery in determining the recoverable amounts. These key assumptions include forecast growth in future revenues and operating (loss)/profit margins, taking into consideration the impact of Covid-19 pandemic, as well as determining an appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- (i) compared prior period projection to actual outcomes to assess reliability of management forecasting process;
- (ii) 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;
- (iii) compared cash flow projection against recent performance, and assessed and challenged the key assumptions in projection to available external industry sources of data;
- (iv) verified operating (loss)/profit margins and growth rates, incorporating the impact of Covid-19 pandemic, by assessing evidence available to support the key assumptions in projection;
- (v) verified pre-tax discount rates for the CGU by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (vi) performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

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.

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

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.
- (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.

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

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 10 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
21 March 2022

Tang Seng Choon
02011/12/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

| | Note | Group | | Company | |
|-------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 5 | 160,735 | 255,429 | 156,474 | 253,044 |
| Investment properties | 6 | 146,226 | 148,052 | 146,226 | 148,052 |
| Intangible assets | 7 | 24,020 | 25,138 | 607 | 1,174 |
| Inventories | 8 | 8,823 | - | - | - |
| Right-of-use assets | 9 | 15,032 | 18,316 | 858 | 1,118 |
| Investments in subsidiaries | 10 | - | - | 87,994 | 50,322 |
| Investment in an associate | 11 | - | - | - | - |
| Other investments | 12 | 94 | 118 | 94 | 118 |
| Other receivables | 13 | - | - | - | - |
| Deferred tax assets | 14 | 2,350 | 3,881 | - | - |
| Total non-current assets | | 357,280 | 450,934 | 392,253 | 453,828 |
| Current assets | | | | | |
| Inventories | 8 | 5,959 | 15,729 | 5,831 | 15,729 |
| Trade and other receivables | 13 | 46,528 | 100,096 | 61,123 | 129,953 |
| Current tax assets | | 9,573 | 8,003 | 8,481 | 6,691 |
| Cash and bank balances | 15 | 343,085 | 353,236 | 289,884 | 283,527 |
| Total current assets | | 405,145 | 477,064 | 365,319 | 435,900 |
| TOTAL ASSETS | | 762,425 | 927,998 | 757,572 | 889,728 |

| | | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | Note | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 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) | [6,124] | (6,124) | [6,124] |
| (Net accumulated losses)/Reserves | 17 | (85,267) | 47,312 | (70,848) | 34,276 |
| | | 647,173 | 779,752 | 661,592 | 766,716 |
| Non-controlling interests | 10 | (1,947) | [1,876] | - | - |
| TOTAL EQUITY | | 645,226 | 777,876 | 661,592 | 766,716 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Lease liabilities | 9 | 14,241 | 15,713 | 756 | 147 |
| Deferred tax liabilities | 14 | 26 | 25,052 | - | 24,981 |
| Total non-current liabilities | | 14,267 | 40,765 | 756 | 25,128 |
| Current liabilities | | | | | |
| Trade and other payables | 18 | 100,680 | 105,842 | 95,116 | 97,000 |
| Lease liabilities | 9 | 2,188 | 3,495 | 108 | 884 |
| Current tax liabilities | | 64 | 20 | - | - |
| Total current liabilities | | 102,932 | 109,357 | 95,224 | 97,884 |
| TOTAL LIABILITIES | | 117,199 | 150,122 | 95,980 | 123,012 |
| TOTAL EQUITY AND LIABILITIES | | 762,425 | 927,998 | 757,572 | 889,728 |

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 2021

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Revenue | 19 | 187,113 | 196,416 | 126,233 | 165,530 |
| Cost of sales and services | 20 | (85,403) | (117,062) | (83,190) | (100,354) |
| Gross profit | | 101,710 | 79,354 | 43,043 | 65,176 |
| Other income | | 14,582 | 64,845 | 78,446 | 100,453 |
| Distribution costs | | (41,058) | (42,754) | (37,847) | (39,713) |
| Administrative and other expenses | | (223,820) | (116,575) | (198,965) | (73,547) |
| Finance costs | 21 | (1,095) | (1,378) | (9) | (80) |
| Net losses on impairment of financial assets | 22 | (49) | (20) | (9,058) | (55,807) |
| Loss before tax | 23 | (149,730) | (16,528) | (124,390) | (3,518) |
| Taxation | 24 | 17,300 | (3,260) | 19,266 | (3,659) |
| Loss for the financial year | | (132,430) | (19,788) | (105,124) | (7,177) |
| Other comprehensive income | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Foreign currency translations | 24 | (220) | 119 | - | - |
| Total comprehensive loss, net of tax | | (132,650) | (19,669) | (105,124) | (7,177) |

| | Note | Group | | Company | |
|--|------|------------------|----------------|------------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Loss attributable to: | | | | | |
| Owners of the parent | | (132,359) | (19,719) | (105,124) | (7,177) |
| Non-controlling interests | 10 | (71) | (69) | - | - |
| | | (132,430) | (19,788) | (105,124) | (7,177) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the parent | | (132,579) | (19,600) | (105,124) | (7,177) |
| Non-controlling interests | 10 | (71) | (69) | - | - |
| | | (132,650) | (19,669) | (105,124) | (7,177) |
| Loss per ordinary share attributable to equity holders of the Company (sen): | | | | | |
| Basic and diluted | 25 | (18.26) | (2.71) | | |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| 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 |

| Group | ← Attributable to equity holders of the Company → | | | | | | |
|---|---|---------------------------|--|--|--|-------------------------------------|------------------------|
| | Share capital RM'000 | Treasury shares RM'000 | Foreign exchange translation reserve RM'000 | Retained earnings/ (Accumulated losses) 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 2021 | 738,564 | (6,124) | 2,830 | 44,482 | 779,752 | (1,876) | 777,876 |
| Loss for the financial year | - | - | - | (132,359) | (132,359) | (71) | (132,430) |
| Foreign currency translations, net of tax | - | - | (220) | - | (220) | - | (220) |
| Total comprehensive loss, net of tax | - | - | (220) | (132,359) | (132,579) | (71) | (132,650) |
| Balance as at 31 December 2021 | 738,564 | (6,124) | 2,610 | (87,877) | 647,173 | (1,947) | 645,226 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| Company | Note | Share capital RM'000 | Treasury shares RM'000 | Retained earnings/ (Accumulated losses) RM'000 | Total RM'000 |
|--|-------|-------------------------|---------------------------|--|-----------------|
| Balance as at 1 January 2020 | | 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 | | - | - | (7,177) | (7,177) |
| Transaction with owners | | | | | |
| Purchase of treasury shares | 16(b) | - | (4,355) | - | (4,355) |
| Dividend paid | 26 | - | - | (14,758) | (14,758) |
| Total transactions with owners | | - | (4,355) | (14,758) | (19,113) |
| Balance as at 31 December 2020 | | 738,564 | (6,124) | 34,276 | 766,716 |
| Loss for the financial year | | - | - | (105,124) | (105,124) |
| Other comprehensive income, net of tax | | - | - | - | - |
| Total comprehensive loss | | - | - | (105,124) | (105,124) |
| Balance as at 31 December 2021 | | 738,564 | (6,124) | (70,848) | 661,592 |

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| | | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | Note | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Loss before tax | | (149,730) | (16,528) | (124,390) | (3,518) |
| Adjustments for: | | | | | |
| Amortisation of intangible assets | | 1,271 | 12,556 | 573 | 727 |
| Bad debts written off | 23 | 97 | - | 97 | - |
| Dividend income | 23 | - | - | - | (35,271) |
| Depreciation of: | | | | | |
| - investment properties | 6 | 1,826 | 480 | 1,826 | 480 |
| - property, plant and equipment | 5 | 18,670 | 22,607 | 17,946 | 20,773 |
| - right-of-use assets | 9 | 3,481 | 3,246 | 391 | 392 |
| Fair value loss/(gain) on: | | | | | |
| - derivative liabilities | 23 | - | (28) | - | (28) |
| - other investments | 23 | 24 | (47) | 24 | (47) |
| Gain on disposal of property, plant and equipment | 23 | (236) | (154) | (33,047) | (150) |
| Gain on disposal of intangible asset | 23 | (1,800) | - | - | - |
| Impairment losses on: | | | | | |
| - amounts owing by subsidiaries | 13(m) | - | - | 856 | 57,251 |
| - equity loans | 10(d) | - | - | 8,597 | 3,497 |
| - intangible assets | | 5 | 11,209 | - | - |
| - investment in subsidiaries | 10(b) | - | - | 3,405 | 2 |
| - other receivables | 13(l) | 3 | 12 | - | 5 |
| - property, plant and equipment | 5 | 71,632 | 1,757 | 71,531 | 986 |
| - trade receivables | 13(j) | 599 | 639 | 514 | 595 |
| Intangible assets written off | 7 | 122 | - | - | - |
| Interest expense | 21 | 1,095 | 1,378 | 9 | 80 |
| Interest income | 23 | (770) | (2,016) | (1,257) | (2,353) |
| Investment income | 23 | (5,623) | (6,997) | (5,234) | (6,841) |
| Net gain on disposal of an associate | 23 | - | (55) | - | - |
| Property, plant and equipment written off | | 690 | 69 | 132 | 1 |
| Reversal of impairment losses on: | | | | | |
| - amounts owing by subsidiaries | 13(m) | - | - | (556) | (750) |
| - equity loans | 10(d) | - | - | - | (4,720) |
| - trade receivables | 13(j) | (548) | (631) | (348) | (71) |
| - other receivables | 13(l) | (5) | - | (5) | - |
| Unrealised gain on foreign exchange | 23 | (48) | (43) | (8) | (17) |
| Waiver of debt owed to a subsidiary | 23 | - | - | (3,425) | - |
| Operating (loss)/profit before working capital changes | | (59,245) | 27,454 | (62,369) | 31,023 |

Statement of Cash Flows (cont'd.)

| | | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | Note | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.) | | | | | |
| Changes in working capital: | | | | | |
| Inventories | | 9,770 | 7,033 | 9,898 | 7,033 |
| Trade and other receivables | | 53,417 | (35,318) | 51,360 | (42,837) |
| Trade and other payables | | (5,496) | (2,681) | (1,454) | (903) |
| Cash used in operations | | (1,554) | (3,512) | (2,565) | (5,684) |
| Tax paid | | (7,836) | (8,040) | (7,505) | (7,076) |
| Tax refunded | | 115 | 659 | - | - |
| Net cash used in operating activities | | (9,275) | (10,893) | (10,070) | (12,760) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Dividend received | | - | - | 3,865 | 5,807 |
| Interest received | | 775 | 3,118 | 1,262 | 2,355 |
| Investment income received | | 5,623 | 6,997 | 5,234 | 6,841 |
| Net advances from/(to) subsidiaries | | - | - | 11,163 | (7,095) |
| Proceeds from disposals of: | | | | | |
| - an associate | 11(c) | - | 55 | - | - |
| - intangible asset | 7 | 1,800 | - | - | - |
| - property, plant and equipment | | 565 | 305 | 293 | 297 |
| Purchases of: | | | | | |
| - intangible assets | | (280) | (6,847) | (6) | (356) |
| - property, plant and equipment | 5 | (5,450) | (2,096) | (2,085) | (1,513) |
| Subscription of ordinary shares in a subsidiary | 10(e) | - | - | (3,000) | - |
| Withdrawals/(Placements) of deposits with licensed banks with original maturity of more than three (3) months | | 632 | (26) | - | - |
| Net cash from investing activities | | 3,665 | 1,506 | 16,726 | 6,336 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Dividend paid | 26 | - | (14,758) | - | (14,758) |
| Interest expense paid on lease liabilities | | (1,053) | (1,363) | (9) | (80) |
| Payments of lease liabilities | | (2,910) | (2,873) | (298) | (318) |
| Purchase of treasury shares | | - | (4,355) | - | (4,355) |
| Net cash used in financing activities | | (3,963) | (23,349) | (307) | (19,511) |
| Net (decrease)/increase in cash and cash equivalents | | (9,573) | (32,736) | 6,349 | (25,935) |
| Effects of exchange rate changes on cash and cash equivalents | | 54 | 18 | 8 | 17 |
| Cash and cash equivalents at beginning of financial year | | 352,604 | 385,322 | 283,527 | 309,445 |
| Cash and cash equivalents at end of financial year | 15(e) | 343,085 | 352,604 | 289,884 | 283,527 |

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | Lease liabilities | |
|--|-------------------|-------------------|
| | Group RM'000 | Company RM'000 |
| At 1 January 2020 | 21,312 | 1,223 |
| Cash flows: | | |
| - Payments of lease liabilities | (2,873) | (318) |
| - Interest expense paid on lease liabilities | (1,363) | (80) |
| Non-cash flows: | | |
| - Additions of lease liabilities | 769 | 126 |
| - Interest expense on lease liabilities | 1,363 | 80 |
| At 31 December 2020 | 19,208 | 1,031 |
| Cash flows: | | |
| - Payments of lease liabilities | (2,910) | (298) |
| - Interest expense paid on lease liabilities | (1,053) | (9) |
| Non-cash flows: | | |
| - Additions of lease liabilities | 131 | 131 |
| - Interest expense on lease liabilities | 1,053 | 9 |
| At 31 December 2021 | 16,429 | 864 |

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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 2021 comprise the Company and its subsidiaries and the interest of the Group in an associate. 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 21 March 2022.

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 10 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.

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, property development 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.

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:

| 2021 | 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 | 158,671 | 25,661 | 2,781 | - | - | 187,113 |
| Inter-segment sales | 841 | 33 | - | 29,117 | (29,991) | - |
| Total revenue | 159,512 | 25,694 | 2,781 | 29,117 | (29,991) | 187,113 |
| Results | | | | | | |
| Segment results | (156,827) | 1,559 | (843) | 1,174 | (91) | (155,028) |
| Finance costs | (9) | (1,086) | - | - | - | (1,095) |
| Interest income | 233 | 468 | 31 | 38 | - | 770 |
| Investment income | 5,334 | 258 | - | 31 | - | 5,623 |
| (Loss)/Profit before tax | (151,269) | 1,199 | (812) | 1,243 | (91) | (149,730) |
| Tax expense | | | | | | 17,300 |
| Loss for the financial year | | | | | | (132,430) |
| Assets | | | | | | |
| Segment assets | 657,882 | 83,538 | 4,579 | 16,426 | - | 762,425 |
| Liabilities | | | | | | |
| Segment liabilities | 91,543 | 21,189 | 637 | 3,830 | - | 117,199 |

Notes to the Financial Statements (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.):

| 2021 | 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 | 2,370 | 3,304 | 9 | 47 | - | 5,730 |
| Depreciation | 20,188 | 3,541 | 22 | 226 | - | 23,977 |
| Amortisation | 839 | 320 | 1 | 111 | - | 1,271 |
| Impairment losses on intangible assets | - | - | 5 | - | - | 5 |
| Impairment losses on property, plant and equipment | 71,531 | 91 | 11 | - | - | 71,632 |
| Non-cash expenses/(income) other than depreciation | 470 | 637 | (186) | 23 | - | 944 |

| 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/(income) other than depreciation | 615 | 138 | 61 | (5) | - | 809 |

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 | |
|-----------|----------------|----------------|--------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Malaysia | 185,907 | 194,824 | 354,836 | 446,935 |
| Singapore | 476 | 889 | - | - |
| China | 222 | - | - | - |
| Others | 508 | 703 | - | - |
| | 187,113 | 196,416 | 354,836 | 446,935 |

Major customers

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

Notes to the Financial Statements (cont'd.)

5. PROPERTY, PLANT AND EQUIPMENT

| Group 2021 | 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 | 47,775 | 139,076 | 400,357 | 124,027 | 16 | 711,251 |
| Additions | - | - | 287 | 2,135 | 3,028 | 5,450 |
| Disposals | (162) | - | (97) | (1,304) | - | (1,563) |
| Written off | - | - | (1,213) | (2,719) | - | (3,932) |
| Reclassification to intangible assets (Note 7) | - | - | - | - | (16) | (16) |
| Reclassification to inventories (Note 8) | (8,823) | - | - | - | - | (8,823) |
| At 31 December | 38,790 | 139,076 | 399,334 | 122,139 | 3,028 | 702,367 |
| <u>Accumulated depreciation</u> | | | | | | |
| At 1 January | - | 52,028 | 285,548 | 115,611 | - | 453,187 |
| Charge for the financial year | - | 2,782 | 13,274 | 2,614 | - | 18,670 |
| Disposals | - | - | (38) | (1,196) | - | (1,234) |
| Written off | - | - | (227) | (2,029) | - | (2,256) |
| At 31 December | - | 54,810 | 298,557 | 115,000 | - | 468,367 |
| <u>Accumulated impairment</u> | | | | | | |
| At 1 January | - | - | 1,864 | 755 | 16 | 2,635 |
| Charge for the financial year | - | - | 71,616 | 16 | - | 71,632 |
| Written off | - | - | (986) | - | - | (986) |
| Reclassification to intangible assets (Note 7) | - | - | - | - | (16) | (16) |
| At 31 December | - | - | 72,494 | 771 | - | 73,265 |
| <u>Carrying amount</u> | | | | | | |
| At 31 December | 38,790 | 84,266 | 28,283 | 6,368 | 3,028 | 160,735 |

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

| 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 (cont'd.)

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

| Company 2021 | 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>At 1 January</u> | 47,775 | 139,076 | 374,695 | 99,346 | 660,892 |
| Additions | - | - | 132 | 1,953 | 2,085 |
| Disposals | (8,985) | - | - | (699) | (9,684) |
| Written off | - | - | (1,207) | (811) | (2,018) |
| At 31 December | 38,790 | 139,076 | 373,620 | 99,789 | 651,275 |
| <u>Accumulated depreciation</u> | | | | | |
| At 1 January | - | 52,028 | 261,740 | 93,094 | 406,862 |
| Charge for the financial year | - | 2,783 | 12,961 | 2,202 | 17,946 |
| Disposals | - | - | - | (638) | (638) |
| Written off | - | - | (221) | (679) | (900) |
| At 31 December | - | 54,811 | 274,480 | 93,979 | 423,270 |
| <u>Accumulated impairment</u> | | | | | |
| At 1 January | - | - | 986 | - | 986 |
| Charge for the financial year | - | - | 71,531 | - | 71,531 |
| Written off | - | - | (986) | - | (986) |
| At 31 December | - | - | 71,531 | - | 71,531 |
| <u>Carrying amount</u> | | | | | |
| At 31 December | 38,790 | 84,265 | 27,609 | 5,810 | 156,474 |

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 |

- (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 |
| 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.

Notes to the Financial Statements (cont'd.)

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

(b) Impairment assessment

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 determined as being the higher of the CGU's fair value less costs of disposal and its value-in-use. Where the value-in-use model is used, management has made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. 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:

| | 2021 | | |
|---|------------|-----------|-----------|
| | 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 | 14% | 16% | 18% |
| Average operating (loss)/profit margins | -11% | -6% | 2% |
| Discount rate | 10.80% | 10.80% | 10.80% |

Management had determined that the recoverable amounts of plant and machinery in relation to the print and digital segment of the Group and of the Company are lower than their carrying amounts. Accordingly, impairment losses amounted to RM71,531,000 have been recognised within administrative and other expenses in the statements of profit or loss and other comprehensive income during the current financial year. The carrying amounts (net of impairment losses) of plant and machinery in relation to the print and digital segment of the Group and the Company as at 31 December 2021 amounted to RM27,609,000.

Management had determined that the recoverable amounts of certain plant and machinery, furniture, fittings, equipment and renovations of other segments of the Group were lower than their carryings amounts. Accordingly, impairment losses amounted to RM101,000 were recognised during the financial year.

In the previous financial year, value-in-use was determined by discounting a single set of estimated cash flows. Management had determined that the recoverable amounts of certain property, plant and equipment in the CGUs were lower than their carrying amounts. Accordingly, impairment losses on property, plant and equipment of the Group and of the Company amounted to RM1,757,000 and RM986,000 respectively were recognised within administrative and other expenses in the statements of profit or loss and other comprehensive income. The pre-tax discount rate applied on the cash flow projections in determining the recoverable amounts was 10.55%.

6. INVESTMENT PROPERTIES

| | Group and Company | |
|--|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Investment properties | | |
| Cost | | |
| Balance as at 1 January | 21,895 | 21,895 |
| Reclassification from investment property under construction | 134,537 | - |
| Balance as at 31 December | 156,432 | 21,895 |
| Accumulated depreciation | | |
| Balance as at 1 January | (8,380) | (7,900) |
| Depreciation charge for the financial year | (1,826) | (480) |
| Balance as at 31 December | (10,206) | (8,380) |
| | 146,226 | 13,515 |
| Investment property under construction | | |
| Cost | | |
| Balance as at 1 January | 134,537 | 134,537 |
| Reclassification to investment properties | (134,537) | - |
| Balance as at 31 December | - | 134,537 |
| Carrying amount | 146,226 | 148,052 |

- (a) Investment properties are initially measured at cost, which include 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 (2020: thirty (30) and sixty-two (62) years).

In the previous financial year, investment property under construction was stated at cost and was not depreciated until such time when the asset was 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 RM206,430,000 (2020: RM45,650,000). The fair value is determined by the Directors based on market values for similar properties in the same vicinity obtained from property agencies on a price per square foot basis, except for an investment property with fair value of RM150,000,000 was determined by an independent firm of professional valuers. The independent professional valuers have adopted the comparison method, making reference to the relevant comparable transactions in the market. In arriving at the valuation, the independent professional valuers have made adjustments for factors, which would affect the market value of the investment property, including but not limited to location, plot size, improvements made if any, surrounding developments, facilities and amenities available. There is no transfer between levels in the hierarchy during the financial year.

Notes to the Financial Statements (cont'd.)

6. INVESTMENT PROPERTIES (cont'd.)

- (d) The following are recognised in the statements of profit or loss and other comprehensive income in respect of investment properties:

| | Group and Company | |
|---|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Rental income | 1,472 | 1,591 |
| Direct operating expenses incurred on: | | |
| - income generating investment properties | 153 | 260 |
| - non-income generating investment properties | 552 | 19 |
| | 705 | 279 |

- (e) Investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.

7. INTANGIBLE ASSETS

| | Note | Group | | Company | |
|---------------------------|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Goodwill on consolidation | a | 21,932 | 21,932 | - | - |
| Radio licences | b | - | - | - | - |
| Programmes rights | c | - | - | - | - |
| Computer software | d | 2,011 | 2,964 | 530 | 932 |
| Film rights | e | 77 | 242 | 77 | 242 |
| Internet portal | f | - | - | - | - |
| | | 24,020 | 25,138 | 607 | 1,174 |

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.

During the financial year, the Group disposed an intangible asset, which was previously written off for cash consideration of RM1,800,000.

7. INTANGIBLE ASSETS (cont'd.)

(a) Goodwill on consolidation

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

| | Group | |
|---|----------------|----------------|
| | 2021 RM'000 | 2020 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 |
| Carrying amount as at 31 December represents | | |
| - Radio broadcasting - CGU 1 | 21,932 | 21,932 |

Notes to the Financial Statements (cont'd.)

7. INTANGIBLE ASSETS (cont'd.)

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

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. 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:

| | 2021 | | | 2020 | | |
|---|------------|-----------|-----------|------------|-----------|-----------|
| | Worst case | Base case | Best case | Worst case | Base case | Best case |
| Key assumptions | | | | | | |
| Weightage | 30% | 60% | 10% | 30% | 60% | 10% |
| Cash flow projections period | 5 years | 5 years | 5 years | 5 years | 5 years | 5 years |
| Average revenue growth rates | 7% | 16% | 18% | 5% | 9% | 12% |
| Average operating (loss)/profit margins | -12% | 18% | 24% | 11% | 22% | 28% |
| Discount rate | 10.64% | 10.64% | 10.64% | 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.

7. INTANGIBLE ASSETS (cont'd.)

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

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 2021 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. The sensitivity analysis of each of these key assumptions with all other variables being held constant are as follows:

| Sensitivity analysis | Headroom | |
|---|---------------------------|--------------------|
| | 2021 | 2020 |
| Probability weightage: Worst case: 55%, Base case: 45% and Best case: 0% (2020: Worst case: 100%, Base case : 0% and Best case: 0%) | Breakeven | Breakeven |
| Average revenue growth rate decrease by 3.5% (2020: 3.5%) | Breakeven | Breakeven |
| Average operating profit margin decrease by 1000 basis point (2020: 1000 basis points) | Breakeven | No impairment loss |
| Pre-tax discount rate increase by 150 basis points (2020: 150 basis points) | No impairment loss | No impairment loss |

(b) Radio licences

| | Group | |
|-------------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Cost | | |
| Balance as at 1 January/31 December | 7,483 | 7,483 |
| Accumulated amortisation | | |
| Balance as at 1 January/31 December | 7,483 | 7,483 |
| Carrying amount | - | - |

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

Notes to the Financial Statements (cont'd.)

7. INTANGIBLE ASSETS (cont'd.)

(c) Programmes rights

| | Group | |
|--------------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Cost | | |
| Balance as at 1 January | 53,899 | 48,964 |
| Additions | 122 | 4,935 |
| Written off | (1,001) | - |
| Balance as at 31 December | 53,020 | 53,899 |
| Accumulated amortisation | | |
| Balance as at 1 January | 42,719 | 32,014 |
| Charge for the financial year | - | 10,705 |
| Balance as at 31 December | 42,719 | 42,719 |
| Accumulated impairment losses | | |
| Balance as at 1 January | 11,180 | - |
| Charge for the financial year | - | 11,180 |
| Written off | (879) | - |
| Balance as at 31 December | 10,301 | 11,180 |
| Carrying amount | - | - |

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.

In the previous financial year, management had made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions were applied to cash flow projections of the CGUs and included 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 carrying 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 in the previous financial year. The discount rate applied on the cash flow projections in determining the recoverable amounts was 10.55%.

7. INTANGIBLE ASSETS (cont'd.)

(d) Computer software

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Cost | | | | |
| Balance as at 1 January | 19,748 | 17,846 | 13,758 | 13,412 |
| Additions | 158 | 1,902 | 6 | 346 |
| Reclassification from property, plant and equipment (Note 5) | 16 | - | - | - |
| Balance as at 31 December | 19,922 | 19,748 | 13,764 | 13,758 |
| Accumulated amortisation | | | | |
| Balance as at 1 January | 16,755 | 15,241 | 12,826 | 12,436 |
| Charge for the financial year | 1,106 | 1,514 | 408 | 390 |
| Balance as at 31 December | 17,861 | 16,755 | 13,234 | 12,826 |
| Accumulated impairment losses | | | | |
| Balance as at 1 January | 29 | - | - | - |
| Charge for the financial year | 5 | 29 | - | - |
| Reclassification from property, plant and equipment (Note 5) | 16 | - | - | - |
| Balance as at 31 December | 50 | 29 | - | - |
| Carrying amount | 2,011 | 2,964 | 530 | 932 |

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 carrying amounts. Accordingly, impairment losses amounted to RM5,000 (2020: RM29,000) was recognised during the financial year.

Notes to the Financial Statements (cont'd.)

7. INTANGIBLE ASSETS (cont'd.)

(e) Film rights

| | Group and Company | |
|--|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Film rights | | |
| Cost | | |
| Balance as at 1 January | 4,129 | 3,550 |
| Additions | - | 10 |
| Reclassification from film under development | - | 569 |
| Balance as at 31 December | 4,129 | 4,129 |
| Accumulated amortisation | | |
| Balance as at 1 January | 1,590 | 1,253 |
| Charge for the financial year | 165 | 337 |
| Balance as at 31 December | 1,755 | 1,590 |
| Accumulated impairment losses | | |
| Balance as at 1 January/31 December | 2,297 | 2,297 |
| | 77 | 242 |
| Film under development | | |
| Cost | | |
| Balance as at 1 January | - | 569 |
| Reclassification to film rights | - | (569) |
| Balance as at 31 December | - | - |
| Carrying amount | 77 | 242 |

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.

7. INTANGIBLE ASSETS (cont'd.)

(f) Internet portal

| | Group | |
|-------------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 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. INVENTORIES

| | Note | Group | | Company | |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Non-current | | | | | |
| Land held for property development | (a) | 8,823 | - | - | - |
| Current | | | | | |
| Property development costs | (b) | 128 | - | - | - |
| Newsprint | (c) | 5,792 | 15,713 | 5,792 | 15,713 |
| Other raw materials and consumables | (c) | 39 | 16 | 39 | 16 |
| | | 5,959 | 15,729 | 5,831 | 15,729 |

Notes to the Financial Statements (cont'd.)

8. INVENTORIES (cont'd.)

- (a) Land held for property development

| | Group | |
|--|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Freehold land at cost | | |
| At beginning of the year | - | - |
| Reclassification from property, plant and equipment (Note 5) | 8,823 | - |
| At end of the year | 8,823 | - |

Land held for property development is classified within non-current assets and is stated at lower of cost and net realisable value. During the financial year, the Company disposed two (2) plots of land to a subsidiary for property development activities for RM41,800,000, which resulted in real property gain tax paid by the Company amounting to RM3,293,000 as disclosed in Note 24 to the financial statements.

- (b) Property development costs

| | Group | |
|--|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Development expenditure at cost | | |
| At beginning of the year | - | - |
| Cost incurred during the year | 128 | - |
| At end of the year | 128 | - |

Property development costs not recognised as an expense are recognised as an asset measured at lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customers.

8. INVENTORIES (cont'd.)

(c) Newsprint, other raw materials and consumables

| | Group and Company | |
|-------------------------------------|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| At cost | | |
| Newsprint | 5,792 | 15,713 |
| Other raw materials and consumables | 39 | 16 |
| At end of the year | 5,831 | 15,729 |

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.

(d) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM12,645,000 (2020: RM17,104,000) and RM12,645,000 (2020: RM17,104,000) respectively.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

| | Long term leasehold land RM'000 | Plant and machinery RM'000 | Premises RM'000 | Total RM'000 |
|---------------------------------|--|-------------------------------------|--------------------|-----------------|
| Right-of-use assets | | | | |
| 2021 | | | | |
| Group | | | | |
| Cost | | | | |
| Balance as at 1 January | 1,600 | 21,576 | 4,362 | 27,538 |
| Additions | - | - | 197 | 197 |
| Reversals | - | (50) | (162) | (212) |
| Balance as at 31 December | 1,600 | 21,526 | 4,397 | 27,523 |
| Accumulated depreciation | | | | |
| Balance as at 1 January | 832 | 5,370 | 3,020 | 9,222 |
| Charge for the financial year | 22 | 2,287 | 1,172 | 3,481 |
| Reversals | - | (50) | (162) | (212) |
| Balance as at 31 December | 854 | 7,607 | 4,030 | 12,491 |
| Carrying amount | 746 | 13,919 | 367 | 15,032 |

Notes to the Financial Statements (cont'd.)

9. 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 |
|--------------------------------------|--|-------------------------------------|--------------------|-----------------|
| Right-of-use assets (cont'd.) | | | | |
| 2021 | | | | |
| Company | | | | |
| Cost | | | | |
| Balance as at 1 January | 1,600 | 1,116 | 304 | 3,020 |
| Additions | - | - | 131 | 131 |
| Balance as at 31 December | 1,600 | 1,116 | 435 | 3,151 |
| Accumulated depreciation | | | | |
| Balance as at 1 January | 832 | 892 | 178 | 1,902 |
| Charge for the financial year | 22 | 224 | 145 | 391 |
| Balance as at 31 December | 854 | 1,116 | 323 | 2,293 |
| Carrying amount | 746 | - | 112 | 858 |

| | Long term leasehold land RM'000 | Plant and machinery RM'000 | Premises RM'000 | Total RM'000 |
|--------------------------------------|--|-------------------------------------|--------------------|-----------------|
| Right-of-use assets (cont'd.) | | | | |
| 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 |

9. 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 |
|--------------------------------------|--|-------------------------------------|--------------------|-----------------|
| Right-of-use assets (cont'd.) | | | | |
| 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 |
| | | | | |
| | Long term leasehold land RM'000 | Plant and machinery RM'000 | Premises RM'000 | Total RM'000 |
| Lease liabilities | | | | |
| 2021 | | | | |
| Group | | | | |
| Balance as at 1 January | - | 18,042 | 1,166 | 19,208 |
| Additions | - | - | 131 | 131 |
| Lease payments | - | (2,936) | (1,027) | (3,963) |
| Interest expense | - | 1,011 | 42 | 1,053 |
| Balance as at 31 December | - | 16,117 | 312 | 16,429 |
| Company | | | | |
| Balance as at 1 January | - | 901 | 130 | 1,031 |
| Additions | - | - | 131 | 131 |
| Lease payments | - | (155) | (152) | (307) |
| Interest expense | - | - | 9 | 9 |
| Balance as at 31 December | - | 746 | 118 | 864 |

Notes to the Financial Statements (cont'd.)

9. 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 (cont'd.) | | | | |
| 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 |

| | Group | | Company | |
|-------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Represented by: | | | | |
| Non-current | 14,241 | 15,713 | 756 | 147 |
| Current | 2,188 | 3,495 | 108 | 884 |
| Total lease liabilities | 16,429 | 19,208 | 864 | 1,031 |

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Lease liabilities owing to non-financial institutions | 16,429 | 19,208 | 864 | 1,031 |

9. 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 (2021: RM4,723,000; 2020: RM5,424,000) and their related equipment (2021: RM9,186,000; 2020: RM10,559,000).

- (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 | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Depreciation charge of right-of-use assets (included in administrative and other expenses) | 3,481 | 3,246 | 391 | 392 |
| Interest expense on lease liabilities (included in finance costs) | 1,053 | 1,363 | 9 | 80 |
| Expense relating to short-term leases (included in administrative and other expenses) | 68 | 101 | 68 | 96 |
| Expense relating to leases of low-value assets (included in administrative and other expenses) | 206 | 348 | 201 | 339 |
| | 4,808 | 5,058 | 669 | 907 |

Notes to the Financial Statements (cont'd.)

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

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

(d) The following are total cash outflows for leases as a lessee:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Included in net cash (used in)/from operating activities: | | | | |
| Payments relating to short-term leases and low value assets | 274 | 449 | 269 | 435 |

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Balance brought forward | 274 | 449 | 269 | 435 |
| Included in net cash used in financing activities: | | | | |
| Interest expense paid on lease liabilities | 1,053 | 1,363 | 9 | 80 |
| Payment of lease liabilities | 2,910 | 2,873 | 298 | 318 |
| Total cash outflow for leases | 4,237 | 4,685 | 576 | 833 |

(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:

| 2021 | Within five years RM'000 | Total RM'000 |
|--|-----------------------------|-----------------|
| Group | | |
| Extension options expected not to be exercised | 24 | 24 |
| Company | | |
| Extension options expected not to be exercised | 24 | 24 |

9. 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. (cont'd.)

The following are the undiscounted potential future rental payments that are not included in the lease term: (cont'd.)

| 2020 | Within five years RM'000 | Total RM'000 |
|--|-----------------------------|-----------------|
| Group | | |
| Extension options expected not to be exercised | 108 | 108 |
| Company | | |
| Extension options expected not to be exercised | 108 | 108 |

- (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:

| Group | 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 |
|--------------------------|--|--------------|----------------------|--------------------|--------------------|---------------------|
| 2021 | | | | | | |
| Lease liabilities | | | | | | |
| Fixed rates | 3.60% - 6.90% | 16,429 | 2,188 | 2,766 | 6,856 | 4,619 |
| 2020 | | | | | | |
| Lease liabilities | | | | | | |
| Fixed rates | 3.60% - 6.90% | 19,208 | 3,495 | 2,227 | 6,435 | 7,051 |

| Company | 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 |
|--------------------------|--|--------------|----------------------|--------------------|--------------------|---------------------|
| 2021 | | | | | | |
| Lease liabilities | | | | | | |
| Fixed rates | 3.60% - 6.40% | 864 | 108 | 756 | - | - |
| 2020 | | | | | | |
| Lease liabilities | | | | | | |
| Fixed rates | 3.60% - 6.40% | 1,031 | 884 | 147 | - | - |

Notes to the Financial Statements (cont'd.)

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

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

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

| | On demand or within one year RM'000 | One to five years RM'000 | Over five years RM'000 | Total RM'000 |
|-------------------|--|--------------------------------|------------------------------|-----------------|
| Group | | | | |
| 2021 | | | | |
| Lease liabilities | 3,083 | 11,893 | 4,860 | 19,836 |
| 2020 | | | | |
| Lease liabilities | 4,560 | 11,467 | 7,642 | 23,669 |
| Company | | | | |
| 2021 | | | | |
| Lease liabilities | 111 | 768 | - | 879 |
| 2020 | | | | |
| Lease liabilities | 899 | 150 | - | 1,049 |

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 | |
|-----------------------------|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Not later than one (1) year | 1,737 | 1,278 |
| One (1) to two (2) years | 546 | 990 |
| Two (2) to three (3) years | 260 | - |
| | 2,543 | 2,268 |

10. INVESTMENTS IN SUBSIDIARIES

| Company | Company | |
|-------------------------------------|------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Unquoted shares - at cost | 120,460 | 117,460 |
| Equity loans | 210,345 | 90,958 |
| | 330,805 | 208,418 |
| Less: Accumulated impairment losses | | |
| - Unquoted shares | (105,628) | (102,223) |
| - Equity loans | (137,183) | (55,873) |
| | (242,811) | (158,096) |
| | 87,994 | 50,322 |

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 RM73,162,000 (2020: RM35,085,000) shall constitute equity loans to the subsidiaries, which are unsecured, interest free and the subsidiaries have the unconditional right to avoid settlement of the loan in cash, and are considered to be part of the investments of the Company in providing the subsidiaries with a long term source of additional capital.

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

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

- (b) The Company has assessed whether there are any 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 RM3,405,000 (2020: 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.

Notes to the Financial Statements (cont'd.)

10. INVESTMENTS IN SUBSIDIARIES (cont'd.)

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

| Name of company | Country of incorporation | Interest in equity held by | | | | Principal activities |
|---|--------------------------|----------------------------|------|------------|------|---|
| | | Company | | Subsidiary | | |
| | | 2021 | 2020 | 2021 | 2020 | |
| Star Papyrus Printing Sdn. Bhd. ⁽²⁾ | Malaysia | 99% | 99% | - | - | Inactive |
| Star Publications (Singapore) Pte. Ltd. ⁽¹⁾ | 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 Land Sdn. Bhd. (formerly known as SMG Entertainment Sdn. Bhd.) | Malaysia | 100% | 100% | - | - | Property development |
| 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% | - | - | Online advertising and publicity agents, publishers of magazines and books |
| I. Star Events Sdn. Bhd. | Malaysia | 100% | 100% | - | - | Provision of events management |
| Star Publications Sdn. Bhd. | Malaysia | 100% | - | - | - | Publishing of newspapers, journals, magazines and periodicals in print or electronic form |
| 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. ⁽¹⁾ | Singapore | - | - | 100% | 100% | Inactive |

10. 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 | | |
| | | 2021 | 2020 | 2021 | 2020 | |
| 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 Land Sdn. Bhd. (formerly known as SMG Entertainment Sdn. Bhd.) | | | | | | |
| SMG Production and Distribution Sdn. Bhd. | Malaysia | - | - | 100% | 100% | Inactive |

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

⁽²⁾ In the midst of striking off pursuant to Section 550 of the Companies Act 2016.

(d) Impairment for equity loans is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 13(k) 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 |
|---|---------------------------|--|--|-----------------|
| 2021 | | | | |
| Company | | | | |
| At 1 January | - | 3,497 | 52,376 | 55,873 |
| Charge for the financial year | - | 8,570 | 27 | 8,597 |
| Reclassifications from impairment allowance for amounts owing by subsidiaries | 83 | 5,183 | 67,447 | 72,713 |
| At 31 December | 83 | 17,250 | 119,850 | 137,183 |
| 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 |

Notes to the Financial Statements (cont'd.)

10. INVESTMENTS IN SUBSIDIARIES (cont'd.)

(d) (cont'd.)

In the previous financial year, impairment losses of equity loans amounted to RM4,720,000 had been reversed due to settlements made by certain subsidiaries.

- (e) The Company had incorporated a new subsidiary known as Star Publications Sdn. Bhd. with a paid up share capital of RM1 comprising 1 ordinary share. On 29 October 2021, the Company subscribed for additional 2,999,999 ordinary shares in Star Publications Sdn. Bhd. at RM1 per ordinary share.
- (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 2021. The subsidiaries of the Group that have NCI are as follows:

| | Individually immaterial subsidiaries | |
|--|--------------------------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Carrying amount of NCI (RM'000) | (1,947) | (1,876) |
| Loss allocated to NCI (RM'000) | (71) | (69) |
| Total comprehensive loss allocated to NCI (RM'000) | (71) | (69) |

11. INVESTMENT IN AN ASSOCIATE

| | Group and Company | |
|---|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| At cost: | | |
| - Unquoted equity shares | 1,300 | 1,300 |
| - Share of post-acquisition losses, net of dividends received | (583) | (583) |
| Less: Impairment loss | (717) | (717) |
| | - | - |

- (a) Investment in an associate is measured at cost less impairment loss and accounted for using the equity method in the consolidated financial statements.

11. INVESTMENT IN AN ASSOCIATE (cont'd.)

- (b) The details of the associate are as follows:

| Name of company | Country of incorporation | Interest in equity held by Subsidiary | | Principal activities |
|---|--------------------------|---------------------------------------|------|----------------------|
| | | 2021 | 2020 | |
| H&H Connection Sdn. Bhd. ⁽¹⁾ | Malaysia | 30% | 100% | Online retailer |

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

The above associate is accounted for using the equity method in the consolidated financial statements.

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

In the previous financial year, 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 2021 and 31 December 2020.

12. OTHER INVESTMENTS

| Non-current | Group and Company | |
|---|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Equity securities | | |
| - Quoted equity investments in Malaysia | 94 | 118 |

- (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 (cont'd.)

12. OTHER INVESTMENTS (cont'd.)

(c) The fair value of other investments of the Group and of the Company are categorised as follows:

| Group and Company | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|-----------------------------|-------------------|-------------------|-------------------|-----------------|
| 2021 | | | | |
| Other investments | | | | |
| - Quoted equity investments | 94 | - | - | 94 |
| 2020 | | | | |
| Other investments | | | | |
| - Quoted equity investments | 118 | - | - | 118 |

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.

13. TRADE AND OTHER RECEIVABLES

| Non-current | Note | Group | | Company | |
|-------------------------|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Non-trade | | | | | |
| Subsidiary | (d) | - | - | - | 59,522 |
| Less: Impairment losses | | - | - | - | (59,522) |

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

| Current | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Trade | | | | | |
| Third parties | | 33,710 | 30,129 | 29,233 | 25,589 |
| Less: Impairment losses | | (4,047) | (4,003) | (3,226) | (3,067) |
| Trade receivables, net | (b) | 29,663 | 26,126 | 26,007 | 22,522 |
| Non-trade | | | | | |
| Third parties | (c) | 5,896 | 60,473 | 4,599 | 57,285 |
| Subsidiaries | (f) | - | - | 27,814 | 57,912 |
| | | 5,896 | 60,473 | 32,413 | 115,197 |
| Less: Impairment losses | | | | | |
| - Third parties | | (3,466) | (3,468) | (3,456) | (3,461) |
| - Subsidiaries | | - | - | (2,773) | (15,664) |
| | | 2,430 | 57,005 | 26,184 | 96,072 |
| Sundry deposits and other receivables | | 2,035 | 2,225 | 1,120 | 1,334 |
| Total current trade and other receivables, excluding prepayments | | | | | |
| | | 34,128 | 85,356 | 53,311 | 119,928 |
| Prepayments | | | | | |
| Prepayments | | 12,400 | 14,740 | 7,812 | 10,025 |
| Total current trade and other receivables | | | | | |
| | | 46,528 | 100,096 | 61,123 | 129,953 |
| Total trade and other receivables | | | | | |
| | | 46,528 | 100,096 | 61,123 | 129,953 |

- (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 (2020: 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) In the previous financial year, other receivables of the Group and of the Company included an amount of RM50,542,000 in relation to the compensation income awarded as disclosed in Note 29(c) to the financial statements.
- (d) In the previous financial year, non-current amount owing by a subsidiary represented unsecured advances, which bore interest at 2.25% per annum. The advances together with the interest receivable thereon were not payable within the next twelve (12) months.
- (e) During the financial year, the Company reclassified amounts owing by subsidiaries together with their impairment losses amounting to RM73,347,000 and RM72,713,000 respectively to equity loans due to the reassessment of nature of amounts owing by these subsidiaries.

Notes to the Financial Statements (cont'd.)

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

- (f) 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. Included in the current amounts owing by subsidiaries is dividend receivable amounting to RM23,630,000 (2020: RM27,495,000).
- (g) 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.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

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.

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

(h) 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 |
|--------------------------------|---------|----------------------------------|----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|
| 2021 | | | | | | | |
| Group | | | | | | | |
| Expected loss rate | 0.9% | 1.8% | 2.6% | 10.5% | 29.7% | 100% | |
| Gross carrying amount (RM'000) | 15,539 | 7,584 | 3,134 | 2,446 | 2,245 | 2,762 | 33,710 |
| Impairment losses (RM'000) | 143 | 137 | 81 | 258 | 666 | 2,762 | 4,047 |
| 2021 | | | | | | | |
| Company | | | | | | | |
| Expected loss rate | 0.9% | 1.7% | 2.4% | 10.9% | 19.0% | 100% | |
| Gross carrying amount (RM'000) | 13,682 | 6,406 | 2,619 | 2,270 | 1,937 | 2,319 | 29,233 |
| Impairment losses (RM'000) | 121 | 107 | 63 | 247 | 369 | 2,319 | 3,226 |
| 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 |

(i) 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 | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Maximum exposure | 33,710 | 30,129 | 29,233 | 25,589 |
| Collateral obtained | (10,968) | (13,372) | (10,968) | (13,372) |
| Net exposure to credit risk | 22,742 | 16,757 | 18,265 | 12,217 |

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.

Notes to the Financial Statements (cont'd.)

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

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

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| At 1 January | 4,003 | 4,236 | 3,067 | 2,589 |
| Charge for the financial year | 599 | 639 | 514 | 595 |
| Written off | (7) | (241) | (7) | (46) |
| Reversal of impairment losses on trade receivables | (548) | (631) | (348) | (71) |
| At 31 December | 4,047 | 4,003 | 3,226 | 3,067 |

- (k) 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.

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

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

| 2021 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 | 5 | - | 3,463 | 3,468 |
| Charge for the financial year | - | - | 3 | 3 |
| Reversal of impairment losses on other receivables | (5) | - | - | (5) |
| At 31 December | - | - | 3,466 | 3,466 |

| 2021 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 | 5 | - | 3,456 | 3,461 |
| Reversal of impairment losses on other receivables | (5) | - | - | (5) |
| At 31 December | - | - | 3,456 | 3,456 |

| 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 |

Notes to the Financial Statements (cont'd.)

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

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

| 2021 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 | 7,100 | 67,507 | 75,186 |
| Charge for the financial year | - | 856 | - | 856 |
| Reversal of impairment losses | (496) | - | (60) | (556) |
| Reclassifications to impairment allowance for equity loans | (83) | (5,183) | (67,447) | (72,713) |
| At 31 December | - | 2,773 | - | 2,773 |

| 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 |

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

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Ringgit Malaysia | 34,091 | 85,339 | 53,311 | 119,928 |
| Singapore Dollar | 31 | 10 | - | - |
| United States Dollar | 6 | 7 | - | - |
| | 34,128 | 85,356 | 53,311 | 119,928 |

(o) 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.

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

- (p) The Group determines concentration of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

| | Group | | | |
|----------------------------|--------|------------|--------|------------|
| | 2021 | | 2020 | |
| | RM'000 | % of total | RM'000 | % of total |
| By country | | | | |
| Malaysia | 29,663 | 100% | 26,126 | 100% |
| By industry sectors | | | | |
| Print and digital | 26,685 | 87% | 22,796 | 87% |
| Broadcasting | 2,624 | 9% | 2,300 | 9% |
| Event and exhibition | 354 | 4% | 1,030 | 4% |
| | 29,663 | 100% | 26,126 | 100% |

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries constituting 47% (2020: 35%) 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.

14. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Balance as at 1 January | 21,171 | 23,406 | 24,981 | 26,648 |
| Recognised in profit or loss (Note 24) | (23,495) | (2,235) | (24,981) | (1,667) |
| Balance as at 31 December | (2,324) | 21,171 | - | 24,981 |
| Presented after appropriate offsetting: | | | | |
| Deferred tax assets, net | (2,350) | (3,881) | - | - |
| Deferred tax liabilities, net | 26 | 25,052 | - | 24,981 |
| | (2,324) | 21,171 | - | 24,981 |

Notes to the Financial Statements (cont'd.)

14. 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 2021 | (1,106) | (1,328) | (6,722) | 5,275 | (3,881) |
| Recognised in profit or loss | (536) | 683 | 6,173 | (4,789) | 1,531 |
| At 31 December 2021 | (1,642) | (645) | (549) | 486 | (2,350) |
| 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) |

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 2021 | 29,827 | 500 | (5,275) | 25,052 |
| Recognised in profit or loss | (29,717) | (98) | 4,789 | (25,026) |
| At 31 December 2021 | 110 | 402 | (486) | 26 |
| 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 |

14. 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 cost RM'000 | Other temporary differences RM'000 | Total RM'000 |
|------------------------------|---|-------------------------------------|---|-----------------|
| At 1 January 2021 | 29,773 | (952) | (3,840) | 24,981 |
| Recognised in profit or loss | (29,773) | 952 | 3,840 | (24,981) |
| At 31 December 2021 | - | - | - | - |
| 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 |

- (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 | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Unabsorbed capital allowances | 4,069 | 2,802 | - | - |
| Other temporary differences | 2,448 | 2,189 | - | - |
| Unused tax losses | | | | |
| - No expiry date | 2,510 | 2,510 | - | - |
| - Expires by 31 December 2028 | 57,675 | 60,523 | - | - |
| - Expires by 31 December 2029 | 10,509 | 10,509 | - | - |
| - Expires by 31 December 2030 | 16,868 | 14,021 | - | - |
| - Expires by 31 December 2031 | 44,184 | - | 35,976 | - |
| | 138,263 | 92,554 | 35,976 | - |

The Group and the Company have assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences, including taking into consideration the effects of Covid-19 pandemic. Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the Company and certain 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.

Notes to the Financial Statements (cont'd.)

15. CASH AND BANK BALANCES

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Cash and bank balances | 17,775 | 56,779 | 7,636 | 25,902 |
| Deposits placed with licensed banks | 325,310 | 296,457 | 282,248 | 257,625 |
| | 343,085 | 353,236 | 289,884 | 283,527 |

- (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 | |
|--|-------|-------|---------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| Weighted average effective interest rates | | | | |
| - Fixed rates | 1.79% | 2.56% | 1.79% | 2.56% |

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 maturity period of 1 day (2020: 7 days to 184 days) and 1 day (2020: 1 day) respectively.
- (c) The currency exposure profiles of cash and bank balances are as follows:

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Ringgit Malaysia | 341,705 | 351,154 | 289,683 | 283,162 |
| Singapore Dollar | 441 | 1,178 | 181 | 341 |
| United States Dollar | 938 | 899 | 19 | 19 |
| Pound Sterling | 1 | - | 1 | - |
| Chinese Renminbi | - | 5 | - | 5 |
| | 343,085 | 353,236 | 289,884 | 283,527 |

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

- (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 | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Effects of 3% changes to RM against foreign currencies | | | | |
| Loss after tax | | | | |
| - Singapore Dollar | 10 | 27 | 4 | 8 |
| - United States Dollar | 21 | 20 | -* | -* |

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 | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Cash and bank balances | 17,775 | 56,779 | 7,636 | 25,902 |
| Deposits placed with licensed banks | 325,310 | 296,457 | 282,248 | 257,625 |
| Less: | | | | |
| Deposits placed with licensed banks with original maturity of more than three (3) months | - | (632) | - | - |
| | 343,085 | 352,604 | 289,884 | 283,527 |

- (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.

Notes to the Financial Statements (cont'd.)

16. SHARE CAPITAL AND TREASURY SHARES

| | Company | | | |
|--|-----------------------|---------|-----------------------|---------|
| | 2021 | | 2020 | |
| | 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:

| | 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 2021, there are 13,798,700 (2020: 13,798,700) ordinary shares with a cumulative total consideration amounting to RM6,124,601 (2020: RM6,124,601) held as treasury shares by the Company. The number of outstanding shares in issue after the Share Buy-Back is 724,764,902 (2020: 724,764,902) ordinary shares as at 31 December 2021.

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.

17. (NET ACCUMULATED LOSSES)/RESERVES

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Non-distributable: | | | | |
| Foreign exchange translation reserve | 2,610 | 2,830 | - | - |
| Distributable: | | | | |
| (Accumulated losses)/Retained earnings | (87,877) | 44,482 | (70,848) | 34,276 |
| | (85,267) | 47,312 | (70,848) | 34,276 |

(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

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Trade payables | (b) | | | | |
| Third parties | | 268 | 523 | 157 | 452 |
| Subsidiaries | | - | - | 1,311 | 1,258 |
| | | 268 | 523 | 1,468 | 1,710 |
| Other payables | | | | | |
| Subsidiaries | (c) | - | - | 4,264 | 4,694 |
| Other payables | (d) | 58,117 | 55,368 | 53,966 | 52,739 |
| Accruals | (e) | 28,272 | 31,905 | 21,987 | 21,457 |
| Provision for restoration cost | (f) | 356 | 292 | - | - |
| Deferred income | (g) | 9,966 | 11,906 | 9,731 | 10,550 |
| Deposits from agents, subscribers and customers | | 3,701 | 5,848 | 3,700 | 5,850 |
| | | 100,412 | 105,319 | 93,648 | 95,290 |
| | | 100,680 | 105,842 | 95,116 | 97,000 |

Notes to the Financial Statements (cont'd.)

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

- (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 (2020: 1 to 4 months).
- (c) Amounts owing to subsidiaries represent payments made on behalf, which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) Other payables of the Group and of the Company included an amount of RM50,000,000 (2020: 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 RM18,432,000 (2020: RM17,788,000) and RM14,985,000 (2020: RM15,529,000) 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 | |
|-----------------------------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Balance as at 1 January | 292 | 277 |
| Recognised in right-of-use assets | 66 | - |
| Payment of restoration cost | (44) | - |
| Recognised in profit or loss | 42 | 15 |
| Balance as at 31 December | 356 | 292 |

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.

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

(g) A reconciliation of the deferred income is as follows:

| | Group | | Company | |
|---|-----------------|----------------|-----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Balance as at 1 January | 11,906 | 14,035 | 10,550 | 9,853 |
| Additions during the financial year | 25,145 | 35,788 | 23,897 | 29,595 |
| Recognised as revenue during the financial year | (27,085) | (37,917) | (24,716) | (28,898) |
| Balance as at 31 December | 9,966 | 11,906 | 9,731 | 10,550 |

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 | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Ringgit Malaysia | 89,857 | 92,707 | 85,115 | 85,873 |
| United States Dollar | 542 | 524 | 228 | 157 |
| British Pound | 42 | 334 | 42 | 334 |
| Euro | 259 | 272 | - | - |
| Chinese Renminbi | 1 | 75 | - | 75 |
| Singapore Dollar | 13 | 23 | - | 10 |
| Australian Dollar | - | 1 | - | 1 |
| | 90,714 | 93,936 | 85,385 | 86,450 |

Notes to the Financial Statements (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 | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Effects of 3% changes to RM against foreign currencies | | | | |
| Loss after tax | | | | |
| - United States Dollar | 12 | 12 | 5 | 4 |
| - British Pound | 1 | 8 | 1 | 8 |
| - Euro | 6 | 6 | - | - |
| - Chinese Renminbi | -* | 2 | - | 2 |
| - Singapore Dollar | -* | 1 | - | -* |

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. REVENUE

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| <i>Revenue from contracts with customers</i> | | | | |
| Publication, printing, distribution of newspapers and magazines and digital | 152,948 | 166,251 | 123,515 | 162,860 |
| Event management and exhibition | 6,940 | 7,391 | 2,718 | 2,670 |
| Broadcasting | 25,661 | 20,273 | - | - |
| Subscription and distribution | 1,564 | 2,501 | - | - |
| | 187,113 | 196,416 | 126,233 | 165,530 |

19. REVENUE (cont'd.)

(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 customers and coincides with the delivery of goods and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(b) Services

Revenue from services represents the invoiced value arising from the broadcasting of commercials on radio (net of 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.

20. COST OF SALES AND SERVICES

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Publication, printing, distribution of newspapers and magazines and digital | 78,713 | 99,277 | 82,115 | 99,465 |
| Event management and exhibition | 4,518 | 4,263 | 1,075 | 889 |
| Broadcasting | 1,568 | 1,688 | - | - |
| Subscription and distribution | 604 | 11,834 | - | - |
| | 85,403 | 117,062 | 83,190 | 100,354 |

Notes to the Financial Statements (cont'd.)

21. FINANCE COSTS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Interest expenses on: | | | | |
| - Lease liabilities | 1,053 | 1,363 | 9 | 80 |
| - Unwinding of discount on provision for restoration cost | 42 | 15 | - | - |
| | 1,095 | 1,378 | 9 | 80 |

22. NET LOSSES ON IMPAIRMENT OF FINANCIAL ASSETS

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Impairment losses on: | | | | |
| - amounts owing by subsidiaries | - | - | 856 | 57,251 |
| - equity loans | - | - | 8,597 | 3,497 |
| - other receivables | 3 | 12 | - | 5 |
| - trade receivables | 599 | 639 | 514 | 595 |
| Reversal of impairment losses on: | | | | |
| - amounts owing by subsidiaries | - | - | (556) | (750) |
| - equity loans | - | - | - | (4,720) |
| - other receivables | (5) | - | (5) | - |
| - trade receivables | (548) | (631) | (348) | (71) |
| Net losses on impairment of financial assets | 49 | 20 | 9,058 | 55,807 |

23. LOSS BEFORE TAX

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

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| After charging: | | | | | |
| Auditors' remuneration: | | | | | |
| BDO Malaysia | | | | | |
| - Statutory | | | | | |
| - Current year | | 371 | 366 | 244 | 244 |
| - Non-statutory | | | | | |
| - Current year | | 11 | 11 | 11 | 11 |
| Other auditors | | | | | |
| - Statutory | | | | | |
| - Current year | | 36 | 25 | - | - |
| Bad debts written off | | 97 | - | 97 | - |
| Directors' remuneration payable to: | | | | | |
| - Directors of the Company | | | | | |
| - fees | | 651 | 630 | 651 | 630 |
| - other emoluments | | 483 | 411 | 411 | 339 |
| Fair value loss on other investments | | 24 | - | 24 | - |
| Foreign exchange loss: | | | | | |
| - realised | | 144 | 84 | 49 | 1,058 |
| Operating lease rental | | 201 | 339 | 201 | 339 |
| Rental of equipment | | 5 | 9 | - | - |
| Rental of premises | | 68 | 96 | 68 | 96 |
| Rental of warehouse | | - | 5 | - | - |
| Reversal of compensation income | 29(c) | 50,542 | - | 50,542 | - |
| And crediting: | | | | | |
| Compensation awarded | 29(c) | - | 50,542 | - | 50,542 |
| Dividend income | | - | - | - | 35,271 |
| Fair value gain on: | | | | | |
| - derivative liabilities | | - | 28 | - | 28 |
| - other investments | | - | 47 | - | 47 |
| Foreign exchange gain: | | | | | |
| - unrealised | | 48 | 43 | 8 | 17 |
| Gain on disposal of property, plant and equipment | | 236 | 154 | 33,047 | 150 |
| Gain on disposal of intangible asset | 7 | 1,800 | - | - | - |
| Gain on disposal of an associate | | - | 55 | - | - |
| Interest income | | 770 | 2,016 | 1,257 | 2,353 |
| Investment income | | 5,623 | 6,997 | 5,234 | 6,841 |
| Rental income: | | | | | |
| - investment properties | 6(d) | 1,472 | 1,591 | 1,472 | 1,591 |
| - others | | 1,085 | 477 | 1,691 | 477 |
| Waiver of debt owed to a subsidiary | | - | - | 3,425 | - |

Notes to the Financial Statements (cont'd.)

23. LOSS BEFORE TAX (cont'd.)

The estimated monetary value of benefits-in-kind received by Directors of the Company not included above was RM117,000 (2020: RM36,000).

(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. TAXATION

| | Group | | Company | |
|---|-----------------|----------------|-----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Current year tax expense based on loss for the financial year | | | | |
| - Malaysian income tax | 451 | 6,514 | 18 | 6,305 |
| Under/(Over) provision in prior years | | | | |
| - Malaysian income tax | 2,451 | (1,019) | 2,404 | (979) |
| | 2,902 | 5,495 | 2,422 | 5,326 |
| Deferred tax (Note 14) | | | | |
| - Relating to origination and reversal of temporary differences | (22,050) | (3,142) | (22,997) | (2,688) |
| - (Over)/Under provision in prior years | (1,445) | 907 | (1,984) | 1,021 |
| | (23,495) | (2,235) | (24,981) | (1,667) |
| Income tax | (20,593) | 3,260 | (22,559) | 3,659 |
| Real property gain tax (Note 8(a)) | 3,293 | - | 3,293 | - |
| | (17,300) | 3,260 | (19,266) | 3,659 |

24. TAXATION (cont'd.)

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expenses for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between taxation and the product of accounting loss multiplied by the applicable tax rates of the Group and of the Company as follows:

| | Group | | Company | |
|--|------------------|----------------|------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Loss before tax | (149,730) | (16,528) | (124,390) | (3,518) |
| Taxation at Malaysian statutory rate of 24% (2020: 24%) | (35,935) | (3,967) | (29,854) | (844) |
| Expenses not deductible for tax purposes | 6,509 | 3,643 | 8,476 | 22,884 |
| Income not subject to tax | (3,146) | (3,923) | (10,235) | (18,423) |
| Deferred tax assets not recognised | 10,970 | 7,617 | 8,634 | - |
| Difference in tax rates in foreign jurisdiction | 3 | 2 | - | - |
| | (21,599) | 3,372 | (22,979) | 3,617 |
| (Over)/Under provision in prior years | | | | |
| - corporate tax | 2,451 | (1,019) | 2,404 | (979) |
| - deferred tax | (1,445) | 907 | (1,984) | 1,021 |
| | (20,593) | 3,260 | (22,559) | 3,659 |

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

| | Group | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| | 2021 | | | 2020 | | |
| | Before tax RM'000 | Tax effect RM'000 | After tax RM'000 | Before tax RM'000 | Tax effect RM'000 | After tax RM'000 |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Foreign currency translations | (220) | - | (220) | 119 | - | 119 |

Notes to the Financial Statements (cont'd.)

25. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

Basic loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

| | 2021 | 2020 |
|---|-----------|----------|
| In RM'000 | | |
| Loss attributable to equity holders of the parent | (132,359) | (19,719) |
| In '000 | | |
| Weighted average number of ordinary shares in issue | 738,564 | 738,564 |
| Weighted average number of treasury shares held | (13,799) | (9,699) |
| Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share | 724,765 | 728,865 |
| In sen | | |
| Basic loss per ordinary share | (18.26) | (2.71) |

(b) Diluted loss per ordinary share

The diluted loss per ordinary share equal basic loss per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

26. DIVIDEND

| | Group and Company | |
|----------------------------|---------------------------------|---------------------------|
| | Dividend per ordinary share sen | Amount of dividend RM'000 |
| 2020 | | |
| 2019 Interim dividend paid | 2.0 | 14,758 |

27. EMPLOYEE BENEFITS

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Salaries and wages | 100,538 | 115,919 | 74,495 | 88,628 |
| Defined contribution retirement plans | 14,856 | 15,811 | 11,004 | 11,859 |
| Others | 2,412 | 4,046 | 893 | 1,134 |
| | 117,806 | 135,776 | 86,392 | 101,621 |

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 10 to the financial statements;
- (ii) Associate as disclosed in Note 11 to the financial statements;
- (iii) Companies in which certain Directors of the Company have financial interests;
- (iv) Companies in which a Director of the subsidiaries has financial interests; and
- (v) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

Notes to the Financial Statements (cont'd.)

28. RELATED PARTIES DISCLOSURES (cont'd.)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

| | Company | |
|---|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Subsidiaries | | |
| Dividend income | - | 35,271 |
| Disposal of land | 41,800 | - |
| Interest income | 1,185 | 1,781 |
| Jobbing income | 107 | 298 |
| Printing and distribution services ⁽¹⁾ | 70,599 | - |
| Shared service income | 29,219 | - |
| Agency fee on advertising income | 12,339 | - |
| Purchase of advertisement space | 2,599 | - |
| Purchase of airtime | 704 | - |
| Purchase of subscription | - | 2 |
| Rental income | 764 | 754 |
| Sales of advertisement space | 149 | 32 |
| Shared services cost | 24,235 | 27,836 |
| Waiver of debt owed to a subsidiary | 3,425 | - |

⁽¹⁾ represents printing and distribution services rendered to a wholly-owned subsidiary, namely Star Publications Sdn. Bhd. ("SPSB") as a result of the transfer of publishing license to SPSB during the financial year.

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Companies in which certain Directors of the Company deemed to have financial interests | | | | |
| Sales of advertisement space | 590 | 272 | 590 | 272 |

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 2021 is disclosed in Notes 13 and 18 to the financial statements.

28. RELATED PARTIES DISCLOSURES (cont'd.)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of the Directors and other member of key management during the financial year was as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Directors | | | | |
| Short term employee benefits | 600 | 447 | 528 | 375 |
| | 600 | 447 | 528 | 375 |
| Other member of key management | | | | |
| Short term employee benefits | 1,202 | 729 | 1,202 | 426 |
| Contributions to defined contribution plans | 144 | 65 | 144 | 57 |
| | 1,346 | 794 | 1,346 | 483 |
| Total compensation of key management personnel | 1,946 | 1,241 | 1,874 | 858 |

Notes to the Financial Statements (cont'd.)

29. CONTINGENT LIABILITIES

- (a) There are several libel suits, which involve claims against the Group and the Company of which the outcome and probable compensation, if any, are currently indeterminable. However, after consulting with their legal counsel for litigation cases and internal and external experts to the Group and the Company for matters in the ordinary course of business, the Directors and management do not expect the amounts of liabilities, if any, to be material to the financial statements.
- (b) Contingent liabilities that are not carried at fair values and whose carrying amounts are not reasonable approximation of fair values, are as follows:

| | 2021 | | 2020 | |
|---|---------------------------|----------------------|---------------------------|----------------------|
| | 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 | - | 706 | - | 461 |

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 2019 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:

- 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
- 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.

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 1 August 2019, the Company filed:

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

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 2021. 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 in the previous financial year as it deemed the realisation was virtually certain. This was also based on a legal opinion obtained on 24 August 2020 that the Company was entitled to utilise the compensation in partial satisfaction of the bank guarantees received.

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").

On 28 September 2020, the High Court dismissed the Company's application to strike off the claim. The Company had instructed its solicitor to file an appeal to the Court of Appeal against the decision of the High Court ("Appeal 1435"). The Appeal was originally fixed for further Case Management on 25 January 2021, postponed to 9 February 2021 and rescheduled to 4 March 2021.

During the case management before the Court of Appeal on 4 March 2021, the Deputy Registrar of the Court of Appeal directed for Appeals 1122, 1188 and 1435 to be heard together on 27 July 2021.

Notes to the Financial Statements (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 27 July 2021, the Court of Appeal had unanimously decided that there were various disputes of fact and/or law which necessitates a trial and therefore had allowed Appeal 1122 and dismissed Appeals 1188 and 1435.

On 26 August 2021, the Company had instructed its solicitor to file three (3) motions for leave to the Federal Court to appeal against the decisions of the Court of Appeal. The hearing for the three (3) motions for leave is fixed on 15 February 2022 before the Federal Court, which was subsequently adjourned to 17 May 2022.

On 18 October 2021, the Federal Court directed that the next pre-trial case management for JAKS's Claim (i.e., Writ of Summons and Statement of Claim 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) is on 2 March 2022 and the trial is tentatively fixed on 17 October 2022 to 19 October 2022.

During the financial year, uncertainty over the recognition of the compensation income awarded by the High Court on 7 August 2020 arose as a result of the decision by the Court of Appeal to allow JAKS's appeal against the High Court's decision. Therefore, the Company had recognised a reversal of compensation income awarded amounted to RM50.5 million during the financial year. In addition, the Company is of the view that it has merits to oppose the abovementioned claims against the Company based on information provided by the external solicitors. Hence, the Company is of the view that no provision is necessary at this juncture.

30. CAPITAL COMMITMENTS

| | Group and Company | |
|---|-------------------|----------------|
| | 2021 RM'000 | 2020 RM'000 |
| Authorised capital expenditure not provided for in the financial statements | | |
| - contracted | 2,963 | 1,271 |
| - not contracted | 5,157 | 11,987 |
| | 8,120 | 13,258 |
| Analysed as follows: | | |
| - Property, plant and equipment | 8,120 | 13,258 |

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 2020.

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 2021 and 31 December 2020.

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2021 RM'000 | 2020 RM'000 | 2021 RM'000 | 2020 RM'000 |
| Lease liabilities | 16,429 | 19,208 | 864 | 1,031 |
| Less: Cash and bank balances (Note 15) | (343,085) | (353,236) | (289,884) | (283,527) |
| Net cash | (326,656) | (334,028) | (289,020) | (282,496) |
| Total capital | 647,173 | 779,752 | 661,592 | 766,716 |
| 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 2021.

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

Notes to the Financial Statements (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 RM1,380,000 (2020: RM2,082,000) for the Group and RM201,000 (2020: RM365,000) 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 sensitivity analysis for foreign currency risk has been disclosed in Notes 13, 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 9 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 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 9 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 13 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 12 to the financial statements.

Notes to the Financial Statements (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 |
|---|---------------------------------|
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - <i>Interest Rate Benchmark Reform - Phase 2</i> | 1 January 2021 |
| Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> | 1 April 2021 (early adopted) |

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 2022

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 |
|---|----------------|
| Annual Improvements to MFRS Standards 2018 - 2020 | 1 January 2022 |
| Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i> | 1 January 2022 |
| Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to MFRS 108 <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 <i>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. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(i) The Coronavirus disease 2019 “Covid-19” pandemic

The Covid-19 pandemic, which started in 2020, remained an international concern as the number of Covid-19 cases continued to increase with the appearance of various variants of concern. As a result, the Movement Control Order (“MCO”) initially imposed by the Government of Malaysia had subsequently entered into various phases of the MCO, followed by the announcement of the National Recovery Plan (“NRP”) in June 2021, which details a roadmap to control the Covid-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. In March 2022, the Government of Malaysia announced that the country will enter into the “Transition to Endemic” phase starting 1 April 2022, which includes the opening of national borders for tourism and the abolishment of limitations to capacity and operating hours of business premises.

The print and digital and broadcasting segments of the Group are essential sectors and are allowed to operate while adhering to strict standard operating procedures (“SOP”) during various phases of the MCO and NRP period. Despite the overall decrease in advertising spending due to the effects of Covid-19 pandemic and MCO, the Group saw an increase in digital revenue attributed to the increase in traffic across its digital platforms. Therefore, the Group will remain focused on its digital transformation initiatives and strategies across all media platforms and will continue to improve its operational efficiencies.

The event and exhibition segment of the Group was adversely affected, mainly due to the restrictions being imposed on physical events as well as cancellation of some events due to the Covid-19 pandemic. Due to the SOP restrictions to combat the Covid-19 pandemic, the Group has taken the opportunity to explore online alternatives such as webinars and virtual fairs in place of the physical ones.

The Group, through its Covid-19 task force, actively monitors and updates all employees on any news and key information pertaining to the Covid-19 pandemic and manage the provision of personal protective equipment such as masks, gloves, sanitisers, etc. for employees identified as having higher risk of exposure due to the nature of their work as frontliners.

Based on the assessment of the Group, 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 2021. 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 2022.

The Covid-19 pandemic remains a key challenge for the Group as advertisers are cautious on advertising spending and SOP restrictions remain in place for physical events. However, the Board is confident that the Group is well positioned to weather through these unprecedented challenges in view of its strong financial position.

(ii) Application for a digital banking license

On 30 June 2021, the Company joined Paramount Corporation Berhad, the lead applicant for a consortium via an application submitted to Bank Negara Malaysia for a digital banking license. As of the date of authorisation of the financial statements, the approval of application from Bank Negara Malaysia for the digital banking license has not been obtained.

(iii) Cessation of operations of Dimsum Entertainment

A wholly owned subsidiary, namely SMG Land Sdn. Bhd. (formerly known as SMG Entertainment Sdn. Bhd.) had ceased its operations of Dimsum Entertainment, a video-on-demand service, with effect from 30 September 2021. There is no material financial impact arising from the cessation of operations of Dimsum Entertainment as the subsidiary had fully impaired the assets used in the operation of Dimsum Entertainment in the previous financial year.

LIST OF PROPERTIES

| 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 | 746 | 1983# |
| No. 26A, Randolph Avenue London W9 1BL United Kingdom | Leasehold Expiry: 2086 | 1,481 sq. ft. | 2-storey semi-detached | 61 | 632 | 1995 |
| 735, Lorong Perindustrian Bukit Minyak 7 14100 Simpang Ampat Pulau Pinang | Leasehold Expiry: 2056 | 172,644 sq. ft. | Industrial land warehouse | 24 | 7,002 | 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 | 21 | 32,575 | 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 | 21 | 26,976 | 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 | 20 | 16,105 | 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 | 23 | 152 | 1999 |

| Location | Tenure | Size | Description | Approximate age of buildings (years) | Net book value RM'000 | Year of Acquisition/ Last Revaluation# |
|--|---------------------------|--------------------|--|--------------------------------------|-----------------------|--|
| 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 | 870 | 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 | 60,386 sq. ft | Land with a single storey detached house | Pre-war | 1165 | 2002 |
| Unit A 4103 SOHO Xian Dai Cheng No. 88, Jian Guo Road Chao Yang District Beijing 100022 People's Republic of China | Leasehold Expiry: 2070 | 386 sq.metres | Top floor of a 42-storey building | 18 | 1,582 | 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 | 46 | 1,592 | 2005 |
| Neighbourhood Commercial Centre GF to 3F, U6 Jalan P9E/1, Presint 9 62250 Putrajaya | Freehold | 1,691 sq.metres | 4-storey shop office | 17 | 3,004 | 2004 |

List of Properties (cont'd.)

| Location | Tenure | Size | Description | Approximate age of buildings (years) | Net book value RM'000 | Year of Acquisition/ Last Revaluation# |
|---|---------------------------|--------------------|--|--------------------------------------|-----------------------|--|
| 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 | 11 | 3,786 | 2011 |
| Klang Town Commercial Centre No. 35 Lebuhr Tapah, Bandar Klang 41400 Klang Selangor Darul Ehsan | Freehold | 446 sq.metres | 3-storey shop office | 15 | 612 | 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 | 13 | 2,116 | 2009 |
| Jalan 13/6 Petaling Jaya, 46200, Selangor | Leasehold Expiry: 2112 | 297,981 sq. ft | 14-storey office building | 1 | 133,191 | 2020 |
| Grand total | | | | | 278,847 | |

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

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 : 10,548

DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shares Held | % of Issued Shares |
|-------------------------|---------------------|----------------|----------------------|--------------------|
| Less than 100 | 82 | 0.777 | 1,721 | 0.000 |
| 100 - 1,000 | 1,580 | 14.979 | 1,292,931 | 0.178 |
| 1,001 - 10,000 | 5,542 | 52.541 | 27,259,852 | 3.761 |
| 10,001 - 100,000 | 2,826 | 26.792 | 97,193,094 | 13.410 |
| 100,001 - 36,238,244 * | 516 | 4.892 | 230,275,544 | 31.773 |
| 36,238,245 and above ** | 2 | 0.019 | 368,741,760 | 50.878 |
| Total | 10,548 | 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 2022)

| 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 2022)

| 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 | - | - | - | - |

Analysis of Shareholdings (cont'd.)

TOP THIRTY (30) LARGEST SHAREHOLDERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

| No. | Name | No. of Shares Held | % of Issued Shares* |
|-----|---|--------------------|---------------------|
| 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 | 10,480,700 | 1.446 |
| 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. | Wong Soo Chai @ Wong Chick Wai | 4,488,300 | 0.619 |
| 7. | Maybank Nominees (Tempatan) Sdn. Bhd. Kong Yee Wong | 4,047,000 | 0.558 |
| 8. | Cheah Fook Ling | 3,628,700 | 0.501 |
| 9. | RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Gaik Suan | 3,474,700 | 0.479 |
| 10. | Public Invest Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Deva Dassan Solomon (M) | 3,190,100 | 0.440 |
| 11. | Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa | 3,100,000 | 0.428 |
| 12. | Chua Lee Seng | 2,487,600 | 0.343 |
| 13. | Koperasi Jayadiri Malaysia Berhad | 2,334,000 | 0.322 |
| 14. | HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Bank Julius Baer & Co. Ltd. (Singapore BCH) | 2,305,200 | 0.318 |
| 15. | Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Bernadette Jeanne De Souza (003) | 2,230,100 | 0.308 |
| 16. | Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client A/C-NR) | 2,133,800 | 0.294 |
| 17. | Tok Heng Hwa | 2,041,100 | 0.282 |
| 18. | Eng Keat Ho | 1,905,000 | 0.263 |
| 19. | Palaniappan @ Mohan A/L PL Chockalingam | 1,900,000 | 0.262 |
| 20. | LGB Engineering Sdn. Bhd. | 1,683,600 | 0.232 |
| 21. | Lai Tek Kean | 1,660,000 | 0.229 |
| 22. | Thang Guan Chung | 1,580,000 | 0.218 |
| 23. | Lee Pui Seng | 1,530,000 | 0.211 |

| No. | Name | No. of Shares Held | % of Issued Shares* |
|--------------|--|--------------------|---------------------|
| 24. | CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Ching Chee (MY0605) | 1,500,000 | 0.207 |
| 25. | Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ho Kok Kiang | 1,500,000 | 0.207 |
| 26. | CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd (SFS) | 1,480,400 | 0.204 |
| 27. | Tengku Nerang Putra | 1,466,144 | 0.202 |
| 28. | AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lee Yu Lan (8065570) | 1,448,000 | 0.200 |
| 29. | Tan Gaik Suan | 1,417,300 | 0.196 |
| 30. | Phoon Onn Leong | 1,400,000 | 0.193 |
| Total | | 445,690,904 | 61.493 |

* Excludes 13,798,700 Ordinary Shares bought back by the Company and held as treasury shares

STAR MEDIA GROUP CORPORATE DIRECTORY

1. Menara Star

15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7967 1388
Fax : +603 7954 1606
Customer Service Hotline:
1-300-88-7827

2. Star Media Hub

Lot 2, Jalan Astaka U8/88
Section U8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan
Tel : +603 7967 1388

BUREAUS

3. George Town

15, Jalan Masjid Kapitan Keling
10200 Pulau Pinang
Tel : +604 269 8000

4. Ipoh

Menara Majestic
A-G-6, Jalan C. M. Yusuff
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Perak Darul Ridzuan
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5. Johor Bahru

65 & 65A, Jalan Maju
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6. Kuantan

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7. Melaka

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8. Putrajaya

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Fax : +603 8889 5516

9. Seremban

41, 1st Floor, Jalan Yam Tuan
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10. Sabah

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11. Sarawak

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Sarawak
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Fax : +6082 459 457

OVERSEAS BUREAU

12. China

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100062 Beijing, China
Tel : +86-10-871 87135
Mobile : +86-138102 20475



PROXY FROM 50th Annual General Meeting

I/We _____
(full name of shareholder as per NRIC/Passport/Certificate of Incorporation in capital letters)

(NRIC/Passport/Company Registration 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 50th 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, 23 May 2022 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 Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon | | |
| 2. | Re-election of Mr. Chan Seng Fatt | | |
| 3. | Re-election of Mr. Loh Chee Can | | |
| 4. | Approval of the payment of Directors' fees from 1 January 2022 until the next Annual General Meeting ("AGM") of the Company | | |
| 5. | Approval of the payment of Directors' benefits from the 50 th AGM until the next AGM of the Company | | |
| 6. | Re-appointment of Messrs BDO PLT as Auditors and to authorise the Directors to fix their remuneration | | |
| 7. | Authority to allot shares pursuant to the Companies Act 2016 | | |
| 8. | Approval of the proposed renewal of share buy-back authority | | |

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

Dated this _____ day of _____ 2022

| | No. of Shares | Percentage (%) |
|---------|---------------|----------------|
| Proxy 1 | | |
| Proxy 2 | | |
| Total | | 100% |

Signature/Common Seal of Member

Notes:

Entitlement participate and vote

- a) Only members whose names appear in the General Meeting Record of Depositors on **17 May 2022** shall be entitled to participate and/or vote at the 50th AGM or appoint proxy(ies) to participate and/vote on his/her behalf.

Virtual AGM

- b) The 50th AGM of the Company will be conducted on a **virtual basis by way of live streaming and online remote voting** via **Remote Participation and Voting** ("RPV") facilities which will be made available on the online portal of Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") at <https://tiah.online> or <https://tiah.com.my> (Domain registration number with MYNIC: D1A282781). Please refer to the Administrative Guide for the 50th AGM for the procedures to register, participate and vote remotely via the RPV facilities.

- c) 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 Broadcast Venue of the AGM. **Members/Proxies/Corporate Representatives 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.

Appointment of Proxy

- d) 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.

Notes: (cont'd.)

- e) 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.
- f) 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.
- g) 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.
- h) The Proxy Form must be submitted in the following manner. In default, the Proxy Form 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; or

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 50th AGM on the procedure for electronic lodgement of the Proxy Form via TIH Online.

in each case by **Saturday, 21 May 2022 at 10.00 a.m.** being not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

Personal Data Privacy

- i) 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.

fold here

Affix stamp here

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

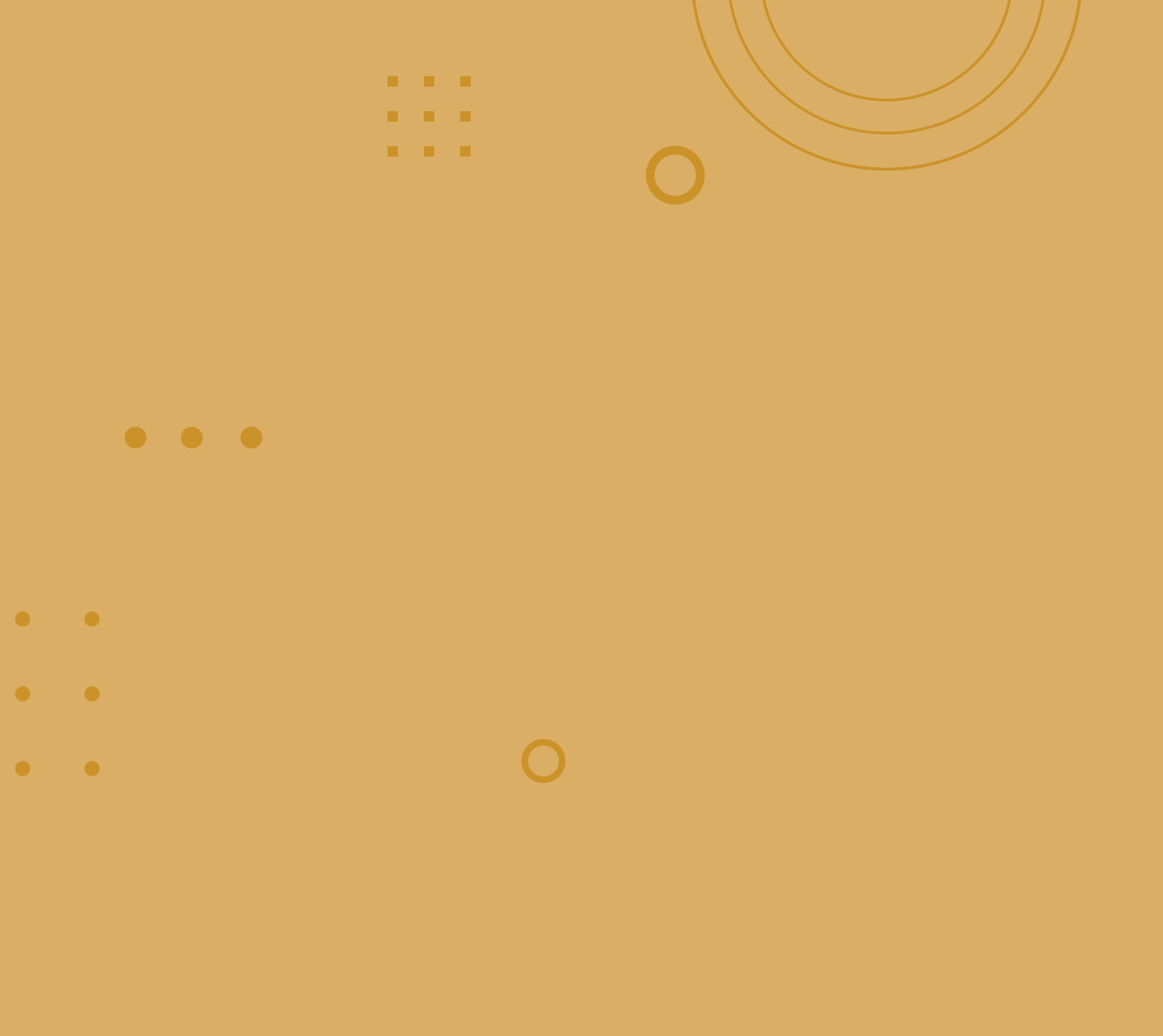
Vertical Business Suite, Avenue 3, Bangsar South

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Malaysia

fold here



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