

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Registered office:

Balai Berita, Anjung Riong,
No. 31, Jalan Riong, Bangsar,
59100, Kuala Lumpur.

Principal place of business:

Balai Berita, Anjung Riong,
No. 31, Jalan Riong, Bangsar,
59100, Kuala Lumpur.

1215A2/nor

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONTENTS	PAGES
DIRECTORS' REPORT	1 - 4
STATEMENTS OF COMPREHENSIVE INCOME	5
STATEMENTS OF FINANCIAL POSITION	6 - 7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
COMPANY STATEMENT OF CHANGES IN EQUITY	9
STATEMENTS OF CASH FLOWS	10 - 11
NOTES TO THE FINANCIAL STATEMENTS	12 - 95
STATEMENT BY DIRECTORS	96
STATUTORY DECLARATION	96
INDEPENDENT AUDITORS' REPORT	97 - 100

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Group and Company consist of the publishing and sale of newspapers and books, advertisements, provision of internet based online services, property management services, printing and transportation.

The principal activities and details of the subsidiaries and associates are set out in Note 32 to the financial statements.

FINANCIAL RESULTS

	<u>Group</u> RM'000	<u>Company</u> RM'000
Profit for the financial year	2,995	5,373

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year.

The Directors do not propose the payment of any dividend for the financial year ended 31 December 2021.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

Mustapha Kamil bin Mohd Janor	
Mohd Rafiq bin Mat Razali	(Appointed on 18.05.2021)
Datuk Seri (Dr) Syed Hussian bin Syed Junid	(Appointed on 27.05.2021)
Dato' Iskandar Mizal bin Mahmood	(Resigned on 18.05.2021)

Pursuant to Section 253 of the Companies Act 2016, the names of Directors of subsidiaries are set out in the respective subsidiaries financial statements and the said information is deemed incorporated herein by such reference and made part thereof.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 6 to 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.

Neither during nor at the end of the financial year was the Company and any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any interest in shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	<u>Number of ordinary shares</u>		
	<u>At 1.1.2021/ date of appointment</u>	<u>Additions</u>	<u>At 31.12.2021</u>
<u>Shares in the Company</u>			
Direct interests:			
Datuk Seri (Dr) Syed Hussian bin Syed Junid	2,015,295	4,084,700	6,099,995
Mohd Rafiq bin Mat Razali *	22,000	80,000	300,000
Indirect interests:			
Datuk Seri (Dr) Syed Hussian bin Syed Junid #	-	100,000	100,000

* Direct interest in ordinary shares of the Company held on the date of appointment of 18 May 2021.

Deemed interest in ordinary shares of the Company held through persons connected with the Director.

INDEMNITY AND INSURANCE COSTS

The Company and Group have Directors and Officers Liability Insurance at a premium of RM61,066 for the financial year ended 31 December 2021 on a group basis under its ultimate holding company, to cover the liability of Directors and Officers in discharging their duties.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 6 to the financial statements.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

- (a) Before the financial statements 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; and
 - (ii) any contingent liability in the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Company for the financial year in which this report is made.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

ULTIMATE HOLDING COMPANY

The Directors regard Media Prima Berhad, a company incorporated in Malaysia, as the Company's ultimate holding company.

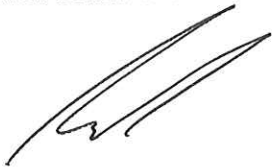
AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board of Directors in accordance with a resolution dated 9 March 2022.



MOHD RAFIQ MAT RAZALI
DIRECTOR



MUSTAPHA KAMIL BIN MOHD JANOR
DIRECTOR

Petaling Jaya
9 March 2022

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF 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	4	138,757	149,603	119,649	134,294
Other operating income		3,384	11,352	3,934	11,396
Newsprint and newspaper production costs		(22,988)	(28,937)	(28,607)	(39,564)
Distribution costs		(10,531)	(11,532)	(6,249)	(9,687)
Employee benefits costs	5	(55,751)	(64,787)	(44,495)	(55,492)
Occupancy costs		(5,937)	(7,503)	(4,453)	(6,315)
Depreciation and amortisation	8	(16,027)	(25,793)	(11,849)	(18,391)
Net gain/(loss) on impairment of financial instruments		3,651	(3,951)	3,651	(3,944)
Other operating costs		(34,341)	(47,124)	(30,114)	(36,577)
Profit/(loss) from operations		217	(28,672)	1,467	(24,280)
Finance income	7	7,137	6,747	8,324	9,671
Finance costs	7	(3,341)	(4,570)	(3,341)	(4,570)
Profit/(loss) before taxation	8	4,013	(26,495)	6,450	(19,179)
Taxation	9	(1,018)	(257)	(1,077)	-
Net profit/(loss) and total comprehensive income/(expense) for the financial year		2,995	(26,752)	5,373	(19,179)
Profit/(loss) attributable to:					
- Owners of the Company		2,995	(26,752)		
- Non-controlling interests		-	-		
		2,995	(26,752)		
Total comprehensive income/(expense) attributed to:					
- Owners of the Company		2,995	(26,752)		
- Non-controlling interests		-	-		
		2,995	(26,752)		

The notes on pages 12 to 95 form an integral part of these financial statements.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	10	38,320	48,616	38,320	48,616
Right-of-use ('ROU') assets	11	30,027	68,128	18,369	40,018
Finance lease receivables	12	17,305	-	26,657	23,552
Investment properties	13	14,705	26,719	2,460	2,606
Subsidiaries	14	-	-	14,108	15,191
Amount due from ultimate holding company	15	98,400	97,755	98,400	97,755
Financial assets at fair value through other comprehensive income	16	688	688	688	688
Intangible assets	18	6	78	6	78
Deposits	20	3,592	-	3,323	-
		<u>203,043</u>	<u>241,984</u>	<u>202,331</u>	<u>228,504</u>
CURRENT ASSETS					
Amount due from ultimate holding company	15	26,007	11,352	26,007	11,352
Amounts due from subsidiaries	15	-	-	18,812	24,462
Amounts due from fellow subsidiaries	15	18,796	16,475	18,796	16,475
Inventories	19	14,317	23,771	-	57
Receivables	20	17,614	23,586	10,134	15,868
Finance lease receivables	12	7,440	-	11,628	6,004
Tax recoverable		26	45	-	-
Deposits, bank and cash balances	21	18,843	26,962	16,418	25,532
		<u>103,043</u>	<u>102,191</u>	<u>101,795</u>	<u>99,750</u>
Non-current assets held for sale	22	11,576	-	-	-
		<u>114,619</u>	<u>102,191</u>	<u>101,795</u>	<u>99,750</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (CONTINUED)

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
LESS: CURRENT LIABILITIES					
Trade and other payables	23	44,780	51,765	32,821	39,608
Lease liabilities	11	15,827	13,331	15,827	13,331
Amount due to ultimate holding company	15	1,360	930	-	-
Amounts due to subsidiaries	15	-	-	1,006	1,006
Amounts due to fellow subsidiaries	15	32,520	29,894	32,025	29,399
Current tax liabilities		332	-	332	-
Borrowings	24	1,061	13,402	1,061	13,402
		<u>95,880</u>	<u>109,322</u>	<u>83,072</u>	<u>96,746</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>18,739</u>	<u>(7,131)</u>	<u>18,723</u>	<u>3,004</u>
NON-CURRENT LIABILITY					
Lease liabilities	11	34,490	50,317	34,490	50,317
Deferred tax liabilities	17	227	466	-	-
		<u>34,717</u>	<u>50,783</u>	<u>34,490</u>	<u>50,317</u>
		<u>187,065</u>	<u>184,070</u>	<u>186,564</u>	<u>181,191</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	25	400,310	400,310	400,310	400,310
Other reserves	25	5	5	5	5
Accumulated losses		(213,250)	(216,245)	(213,751)	(219,124)
Total equity		<u>187,065</u>	<u>184,070</u>	<u>186,564</u>	<u>181,191</u>

The notes on pages 12 to 95 form an integral part of these financial statements.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000
GROUP				
<u>2021</u>				
As at 1 January 2021	400,310	5	(216,245)	184,070
Net profit and total comprehensive income for the financial year	-	-	2,995	2,995
At 31 December 2021	<u>400,310</u>	<u>5</u>	<u>(213,250)</u>	<u>187,065</u>
<u>2020</u>				
As at 1 January 2020	400,310	5	(189,493)	210,822
Net loss and total comprehensive expense for the financial year	-	-	(26,752)	(26,752)
At 31 December 2020	<u>400,310</u>	<u>5</u>	<u>(216,245)</u>	<u>184,070</u>

The notes on pages 12 to 95 form an integral part of these financial statements.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000
<u>COMPANY</u>				
<u>2021</u>				
As at 1 January 2021	400,310	5	(219,124)	181,191
Net profit and total comprehensive income for the financial year	-	-	5,373	5,373
At 31 December 2021	<u>400,310</u>	<u>5</u>	<u>(213,751)</u>	<u>186,564</u>
<u>2020</u>				
As at 1 January 2020	400,310	5	(199,945)	200,370
Net loss and total comprehensive loss for the financial year	-	-	(19,179)	(19,179)
At 31 December 2020	<u>400,310</u>	<u>5</u>	<u>(219,124)</u>	<u>181,191</u>

The notes on pages 12 to 95 form an integral part of these financial statements.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) for the financial year:	2,995	(26,752)	5,373	(19,179)
Adjustments for:				
Property, plant and equipment:				
- depreciation	8,070	9,895	8,070	9,895
- gain on disposals	(104)	-	(104)	-
- impairment	2,971	-	2,971	-
Depreciation of investment properties	438	672	146	298
Amortisation of intangible assets	72	72	72	72
Depreciation of ROU assets	7,447	15,171	3,561	8,143
Net loss/(gain) on impairment of financial instruments				
- trade and other receivables	(2,771)	2,810	(2,771)	2,804
- intercompany – Omnia	6,122	1,140	6,122	1,140
- intercompany – MPD	300	-	300	-
Interest expense	3,341	4,570	3,341	4,570
Interest income	(7,137)	(6,747)	(8,324)	(9,671)
Taxation	1,018	257	1,077	-
Provision for termination benefits	(2,000)	(6,762)	(2,000)	(6,762)
COVID-19 related rent concessions	-	(2,071)	-	(2,071)
Impairment of investment in a subsidiary	-	-	(1,000)	-
	20,762	(7,745)	18,834	(10,761)
Changes in working capital:				
Inventories	9,454	(18,724)	57	4,990
Receivables	5,153	22,786	5,182	30,412
Trade and other payables	(4,878)	(57,226)	(4,787)	(68,974)
Ultimate holding company	(10,699)	(3,943)	(11,128)	(4,873)
Subsidiaries	-	-	5,947	(25,001)
Fellow subsidiaries	(6,117)	12,168	(6,117)	12,168
	13,675	(52,684)	7,988	(62,039)
Taxation paid	(905)	(239)	(745)	-
Interest received	231	594	208	591
Net cash flows generated from/(used in) operating activities	13,001	(52,329)	7,451	(61,448)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Property, plant and equipment:				
- Additions	(788)	(623)	(788)	(623)
- Proceeds from disposals	147	183	147	183
Repayment of amount due from ultimate holding company	-	75,000	-	75,000
Repayment of lease receivables	5,908	-	9,359	5,581
Interest received from lease receivables	2,733	-	3,837	2,343
	<u>8,000</u>	<u>74,560</u>	<u>12,555</u>	<u>82,484</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of borrowings	3,317	34,178	3,317	34,178
Repayment of bank borrowings	(15,658)	(25,464)	(15,658)	(25,464)
Interest paid on bank borrowings	(107)	(591)	(107)	(591)
Repayment of lease financing	(16,565)	(14,592)	(16,565)	(14,592)
	<u>(29,120)</u>	<u>(6,469)</u>	<u>(29,120)</u>	<u>(6,469)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR				
	(8,119)	15,762	(9,114)	14,567
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR				
	<u>26,962</u>	<u>11,200</u>	<u>25,532</u>	<u>10,965</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 21)				
	<u>18,843</u>	<u>26,962</u>	<u>16,418</u>	<u>25,532</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of the Company and Group consist of the publishing and sale of newspapers and books, advertisements, provision of internet based online services, property management services, printing and transportation.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The Directors regard Media Prima Berhad, a company incorporated in Malaysia, as the Company's ultimate holding company.

The address of the registered office and the principal place of business of the Company are as follows:

Balai Berita, Anjung Riong
No. 31, Jalan Riong
59100 Bangsar
Kuala Lumpur

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, unless otherwise stated:

(a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- (i) Amendments to published standards that are effective and applicable to the Group and Company

The Group and Company have applied the following amendments for the first time for the financial year beginning on 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 'Interest Rate Benchmark Reform — Phase 2.

The amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- (ii) Standards early adopted by the Group and Company

The Group and Company have elected to early adopt Amendments to MFRS 16 'COVID-19 Related Rent Concessions beyond 30 June 2021' for the first time in the financial statements for the financial year 2021; with the date of initial application of 1 January 2021, which resulted in changes in accounting policies.

On adoption of the MFRS 16 amendment, the Group and Company are not required to assess whether a rent concession that occurs as a direct consequence of the COVID-19 pandemic and meet specified conditions is a lease modification.

The Group and Company account for such COVID-19-related rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs.

In accordance with the transitional provisions provided in the MFRS 16 amendment, the comparative information for 2020 was not restated and continued to be reported under the previous accounting policies in accordance with the lease modification principles in MFRS 16. These amendments had no impact to the retained earnings on 1 January 2021.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- (iii) Amendments to published standards that have been issued but not yet effective and applicable to the Group and Company.

A number of amendments to standards are effective for financial year beginning after 1 January 2021. None of these are expected to have a significant effect on the Group and Company.

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities' (effective 1 January 2022) clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other's behalf, are included in the cash flow of the new loan when performing the 10% test.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

- Amendments to MFRS 116 'Proceeds before Intended Use' (effective 1 January 2022) prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in the statement of comprehensive income.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(iii) Amendments to published standards that have been issued but not yet effective and applicable to the Group and Company. (continued)

- Amendments to MFRS 137 'onerous contracts—cost of fulfilling a contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after the reporting date.

The amendments shall be applied retrospectively.

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The existence and effect of potential voting rights are considered only when such rights are substantive when assessing control.

The amount due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investment in subsidiaries.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

In a business combination achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in the statement of comprehensive income.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(ii) Basis of consolidation (continued)

The excess of the consideration transferred, the amount of any Non-Controlling Interest ('NCI') in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in the statement of comprehensive income.

NCI is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any NCI in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, NCI consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the NCI, even if the attribution of losses to the NCI results in a debit balance in the shareholders' equity.

(iii) Changes in ownership interest

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statement of comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners to the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(v) Associates

Associates are those corporations, partnerships or other entities in which the Group has significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statements of comprehensive income.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses in associates are recognised in the profit or loss.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(v) Associates (continued)

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets previously acquired and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

(c) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of an investment, the difference between disposal proceeds and its carrying amount is recognised profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Other property, plant and equipment are depreciated on the straight line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

• Buildings	20 to 50 years
• Plant and machinery	4 to 25 years
• Motor vehicles	5 years
• Furniture, computers and equipment	3 to 10 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each financial position date, the Group and Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts are included in statement of comprehensive income.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment properties

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives of 20 to 99 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in statement of comprehensive income.

(f) Intangible assets

Computer software

Costs that are directly associated with identifiable and unique software products controlled by the Company and that will probably generally economic benefits exceeding costs beyond one year, are recognised as intangible assets. Computer software recognised are amortised from the point at which asset is ready for use over their estimated useful lives, which does not exceed 3 years.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(g) on impairment of non-financial assets.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life, for example intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss and any subsequent increase in recoverable amount is recognised in statement of comprehensive income.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

(i) Classification

The Group and Company classify their financial assets in the following categories: at amortised cost ('AC'), and at fair value through other comprehensive income ('FVOCI'). The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group and Company classify their financial assets as AC only if both of the following criteria are met:

- (i) the asset is held within a business model whose objective is to collect the contractual cash flows; and
- (ii) the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at FVOCI comprise:

- (i) equity securities which are not held for trading, and which the Group and Company have irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group and Company consider this classification to be more relevant; and
- (ii) debt securities where the contractual cash flows are solely principal and interest and the objective of the Group and Company's business model is achieved both by collecting cash flows and selling financial assets.

The Group and Company reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

(a) Initial recognition

At initial recognition, the Group and Company measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in comprehensive income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iii) Measurement (continued)

(b) Subsequent measurement

- Debt instruments

Subsequent measurement of debt instruments depends on the Group's and Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and Company reclassify debt investments when and only when its business model for managing those assets changes. The debt instruments in the Group and Company are categorised as follows:

- AC: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at AC. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statements of comprehensive income.

- Equity instruments

The Group and Company subsequently measures all equity investments at fair value. Where the Group's and Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as revenue when the Group's and Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Impairment

Impairment for debt instruments

The Group and Company assess on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at AC and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The following financial instruments are subject to the ECL model:

- Trade receivables
- Contract asset
- Finance lease receivables
- Non-trade receivables
 - intercompany balances
 - deposits and other receivables

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for non-trade receivables and finance lease receivables

At each reporting date, the Group and Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables and contract assets.

The Group and Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Impairment (continued)

Significant increase in credit risk

The Group and Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if the financial asset is past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria: The Group and Company define a financial instrument as default, when the counterparty fails to make contractual payment when they fall due.
- Qualitative criteria: The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and Company consider the following instances:
 - the debtor is in breach of financial covenants
 - concessions have been made by the lender relating to the debtors financial difficulty
 - it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
 - the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

(iv) Impairment (continued)

Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade-related receivables have been grouped based on shared credit risk characteristics of customer's behaviour and the days past due.

(b) Individual assessment

Trade receivables, contract assets, finance lease receivables and non-trade receivables, that are in default or credit-impaired are assessed individually.

Trade-related intercompany balances are assessed on individual basis for ECL measurement. The credit risk information used to measure ECL is the credit risk characteristics of the intercompany's customers which are assessed on a collective basis.

Non-trade related intercompany balances are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each related intercompany.

(v) Write-off

Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and Company, and a failure to make contractual payment. Nevertheless, trade receivables and contract assets that are written-off could still be subject to enforcement activities.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Non-trade receivables and finance lease receivables

The Group and Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial liabilities

Financial liabilities are recognised initially at fair value plus or minus, any directly attributable transaction costs incurred at the acquisition or issuance of financial instrument.

Subsequent to initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statements of comprehensive income. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statements of comprehensive income.

(j) Trade and other payables

These amounts represents obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to statement of comprehensive income at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the statement of comprehensive income.

When borrowings measured at amortised cost is modified without the resulting in de-recognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately within finance cost in the statement of comprehensive income.

Borrowings are classified as current liabilities unless the Group and Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Cost comprises raw materials, direct labour, other direct costs and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(m) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

The Group and Company hold the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See accounting policy Note 2(h) on impairment of financial assets.

(n) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. However, in the case of interim dividends, it is recognised as liability upon approval by the Board of Directors of the Company.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit for the financial year except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting date in the countries where Group's subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction occurring, it affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets (including tax benefit from reinvestment allowances) are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Provisions

Provisions are recognised when the Group and Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(r) Contingent liabilities and contingent assets

The Group and Company do not recognise contingent assets and liabilities other than those arising from business combinations, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and Company. The Group and Company do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of estimated returns, discounts, commissions, rebates and taxes. Discounts and rebates are measured using the most likely amount method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substances of the respective contract with the customer, revenue is recognised when the performance obligation is satisfied, which may be at point in time or over time.

The Group and Company do not expect any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group and Company do not adjust any of the transaction prices for the time value of money.

No element of financing is deemed present as the sales are made with a credit term of 0 to 120 days, which is consistent with market practice.

(i) Sale of products

Revenue from the sale of products includes the sale of newspapers, books and magazines.

Revenue from the sale of goods is recognised at a point in time when the control of the product is transferred to the customer.

It is the Group's policy to sell their products to the agents and vendors with a right of return. A contract liability (refund liability) is recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (continued)

(ii) Rendering of services

Revenue from the rendering of services includes advertising services, commercial newspaper printing and distribution services, digital newspaper and seminar services.

Revenue from rendering of services are recognised at a point in time upon the delivery of services or ready to be displayed except for digital newspaper which are recognised over time as and when the services are rendered.

(iii) License income

License income from brand license arrangements is recognised based on a right to access the license, which in practice means over the contract period based on a fixed amount or reliable estimate of sales made by a licensee which are recognised at a point in time upon the delivery of services.

(iv) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(v) Other revenue

Dividend income is recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

Rental income from rental of investment properties, and rental related services is recognised on a straight-line basis over the period of the lease or usage.

(t) Contract balances

(i) Contract assets

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 (see Note 30). Typically, the amount will be billed within 30 days and payment is expected within 30 days.

(ii) Contract liabilities

Contract liabilities of the Group and Company represent advance receipts from customers on sales and services that have yet to be rendered or completed as at financial position date.

All other contract liabilities are expected to be recognised as revenue over the next 12 months.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Employee benefits

(i) Short-term employee benefits

Wages, salaries, sick leave, paid annual leave, bonuses and non-monetary employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The Group and Company recognise a liability and an expense for bonuses based on a formula that takes into consideration the net profit/(loss) for the financial year after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

(ii) Post-employment benefits - Defined contribution plan

A defined contribution plan is a pension plan under which the Group and Company pay fixed contributions into a separate entity (a fund) on a mandatory basis and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

The Group's and Company's contributions to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF"), are charged to the profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and Company recognise termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are due more than 12 months after the financial position date are discounted to present value.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net profit for the financial year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within "finance income or cost". All other foreign exchange gains and losses are presented in profit or loss within other operating expenses.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Non-current assets classified as held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

(x) Leases

(i) The Group and Company as a lessee

Leases are recognised as ROU asset and a corresponding liability at the date on which the leased asset is available for use by the Group and Company (i.e. the commencement date).

Lease term

In determining the lease term, the Group and Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and Company and affects whether the Group and Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Leases (continued)

(i) The Group and Company as a lessee (continued)

ROU assets (continued)

The Group and Company apply the cost model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment property owned by the Group and Company. Refer to accounting policy Note 2(e) on investment property.

The Group and Company present ROU assets that meet the definition of investment property in the statement of financial position as investment property. ROU assets that are not investment properties are presented as a separate line item in the statement of financial position.

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT and office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised as an expense in profit or loss.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and Company under residual value guarantees;
- The exercise price of a purchase and extension options if the group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statement of comprehensive income.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Leases (continued)

(i) The Group and Company as a lessee (continued)

Reassessment of lease liabilities

The Group and Company may be exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Accounting policies applied from 1 January 2021

During the financial year, the Group and Company apply practical expedient to account for a COVID-19 related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2022; and
- (iii) there is no substantive change to other terms and conditions of the lease.

The Group and Company account for COVID-19 related rent concession as a variable lease payment in the period in which the event or condition that triggers the reduced payment occurs. Impacts of rent concessions are presented within "other operating income" in the statement of comprehensive income.

(ii) The Group and Company as a lessor

As a lessor, the Group and Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group and Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and Company derecognise the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment. In addition, the Group and Company review regularly the estimated unguaranteed residual value.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Leases (continued)

(ii) The Group and Company as a lessor (continued)

(b) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

(iii) Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(y) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Assessment of impairment of non-financial assets

The Group and Company assess impairment of the non-financial assets whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount is more than the recoverable amount).

Recoverable amount of an asset is measured at the higher of the fair value less cost to sell ("FVLCS") for that asset and its value-in-use ("VIU"). The VIU is the net present value of the projected future cash flows derived from the cash generating units discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. For recoverable amount that is based on FVLCS which include fair value of assets or properties, the Group engaged independent valuers to assess the fair value of the assets.

Projected future cash flows are based on Group's and Company's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, contribution margins, discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

The key assumptions used, results and conclusion of the impairment assessments are set out in Notes 10 and 14 of the financial statements.

(ii) Deferred tax assets

In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidence was considered, including approved budgets and business plans, completed and planned restructuring exercises, continuous effective cost management initiatives and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes.

(iii) Measurement of ECL allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and Company use judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of key assumptions and inputs used are disclosed in Note 30.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iv) Contingent liabilities

The Group and the Company has several pending legal cases which are disclosed in Note 27 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings.

(v) Lease extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group and Company is typically reasonably certain to continue (or not to terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group and Company are typically reasonably certain to extend (or not terminate).
- Otherwise, the Group and Company consider other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

4 REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
Sale of products	38,580	49,034	38,580	49,034
Rendering of services				
- Advertising	78,569	81,825	78,569	81,825
- Printing	14,728	12,014	-	-
- Distribution services	4,098	3,137	-	-
- Seminar services	-	49	-	49
License income	2,500	3,386	2,500	3,386
	<u>138,475</u>	<u>149,446</u>	<u>119,649</u>	<u>134,294</u>
Revenue from other sources:				
Rental income from investment properties	282	157	-	-
	<u>138,757</u>	<u>149,603</u>	<u>119,649</u>	<u>134,294</u>
Timing of revenue recognition:				
At point in time	138,070	148,965	119,244	133,813
Over time	405	481	405	481
	<u>138,475</u>	<u>149,446</u>	<u>119,649</u>	<u>134,294</u>
Revenue from contracts with customers	138,475	149,446	119,649	134,294
Revenue from other sources	282	157	-	-
	<u>138,757</u>	<u>149,603</u>	<u>119,649</u>	<u>134,294</u>

5 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages, salaries and bonuses	43,619	50,971	34,261	43,436
Defined contribution plan	7,051	8,567	5,792	7,535
Other employee benefits	7,081	6,080	6,442	5,352
Reversal of termination benefits	(2,000)	(831)	(2,000)	(831)
	<u>55,751</u>	<u>64,787</u>	<u>44,495</u>	<u>55,492</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

6 DIRECTORS' REMUNERATION

	Group and Company	
	2021	2020
	RM'000	RM'000
Directors' fees	-	96
Salaries and bonus	602	528
Defined contribution plan	106	103
Other emoluments	62	98
	<u>770</u>	<u>825</u>
Estimated monetary value of benefits-in-kind	<u>7</u>	<u>7</u>

7 FINANCE INCOME/(COSTS)

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Finance income</u>				
- from deposits	231	594	208	591
- from intercompany loan	4,172	6,153	4,279	6,153
- from unwinding of interest of lease receivables	2,734	-	3,837	2,927
	<u>7,137</u>	<u>6,747</u>	<u>8,324</u>	<u>9,671</u>
<u>Finance costs</u>				
- on borrowings	(107)	(591)	(107)	(591)
- on lease liabilities	(3,234)	(3,979)	(3,234)	(3,979)
	<u>(3,341)</u>	<u>(4,570)</u>	<u>(3,341)</u>	<u>(4,570)</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

8 PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):				
Auditors' remuneration	229	253	192	194
Tax service fee	62	120	32	95
Depreciation and amortisation:				
- Property, plant and equipment ('PPE')	8,070	9,895	8,070	9,895
- Investment properties	438	672	146	298
- ROU assets	7,447	15,154	3,561	8,126
- Intangible asset	72	72	72	72
Impairment of:				
- Property, plant and equipment ('PPE')	2,971	-	2,971	-
- Investment in a subsidiary	-	-	1,000	-
Inventories charged as cost of sales	15,036	21,836	-	-
Net (gain)/loss on impairment of financial instruments:				
- Trade and other receivables	(2,771)	2,804	(2,771)	2,804
- Intercompany – Omnia	6,122	1,140	6,122	1,140
- Intercompany – other than Omnia	300	-	300	-
Foreign exchange loss:				
- realised	56	(82)	-	(1)
Gain on disposal of:				
- PPE	(104)	-	(104)	-
Research and development costs	-	615	-	615
Rental income	(2,891)	(8,270)	(2,609)	(9,313)
Net income from sale of old newspaper and newsprint	(933)	(761)	(145)	(425)
Management fees charged by:				
- ultimate holding company	360	8,848	186	7,935
- a fellow subsidiary	(189)	3,037	(189)	3,037

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

9 TAXATION

	Group		Company	
	<u>2021</u> RM'000	<u>2020</u> RM'000	<u>2021</u> RM'000	<u>2020</u> RM'000
Current tax:				
- Malaysian tax	1,257	217	1,077	-
Deferred tax (Note 17)	(239)	40	-	-
	<u>1,018</u>	<u>257</u>	<u>1,077</u>	<u>-</u>
<u>Current tax</u>				
Current financial year	1,262	147	1,077	-
(Over)/under provision in prior financial years	(5)	70	-	-
	<u>1,257</u>	<u>217</u>	<u>1,077</u>	<u>-</u>
<u>Deferred tax</u>				
Origination and reversal of temporary differences	(239)	40	-	-
Tax expense	<u>1,018</u>	<u>257</u>	<u>1,077</u>	<u>-</u>

The explanation of the relationship between taxation and profit/(loss) before taxation is as follows:

	Group		Company	
	<u>2021</u> RM'000	<u>2020</u> RM'000	<u>2021</u> RM'000	<u>2020</u> RM'000
Profit/(loss) before taxation	<u>4,013</u>	<u>(26,495)</u>	<u>6,450</u>	<u>(19,179)</u>
Tax calculated at the Malaysian tax rate of 24% (2020: 24%)	963	(6,359)	1,548	(4,603)
Tax effects of:				
- expenses not deductible for tax purposes	614	806	464	535
- income not subject to tax	(26)	(4)	(26)	(4)
- (under)/over provision of taxation in prior financial years (net)	(244)	110	-	-
- deferred tax assets not recognised in respect of temporary differences, allowances and unused tax losses	(289)	5,704	(728)	4,072
Tax expense	<u>1,018</u>	<u>257</u>	<u>1,077</u>	<u>-</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, computers and equipment RM'000	Total RM'000
<u>Cost</u>						
At 1 January 2021	2,570	64,195	561,451	5,010	116,143	749,369
Additions	-	-	29	-	759	788
Disposals	-	-	(717)	(368)	(1,047)	(2,132)
At 31 December 2021	<u>2,570</u>	<u>64,195</u>	<u>560,763</u>	<u>4,642</u>	<u>115,855</u>	<u>748,025</u>
<u>Accumulated depreciation</u>						
At 1 January 2021	-	(20,061)	(394,335)	(4,773)	(91,498)	(510,667)
Charge for the financial year	-	(1,508)	(2,180)	(52)	(4,330)	(8,070)
Disposal	-	-	711	368	1,010	2,089
At 31 December 2021	<u>-</u>	<u>(21,569)</u>	<u>(395,804)</u>	<u>(4,457)</u>	<u>(94,818)</u>	<u>(516,648)</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10	PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, computers and equipment RM'000	Total RM'000
	<u>Group</u>						
	<u>Accumulated impairment loss</u>						
	At 1 January 2021	-	(20,206)	(159,323)	(147)	(10,410)	(190,086)
	Charge for the financial year (Note a)	-	-	-	-	(2,971)	(2,971)
	31 December 2021	-	(20,206)	(159,323)	(147)	(13,381)	(193,057)
	<u>Net book value</u>						
	At 31 December 2021	2,570	22,420	5,636	38	7,656	38,320

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, computers and equipment RM'000	Total RM'000
<u>Cost</u>						
At 1 January 2020	2,570	64,195	561,591	5,010	115,819	749,185
Additions	-	-	237	-	386	623
Disposals	-	-	(377)	-	(63)	(440)
At 31 December 2020	<u>2,570</u>	<u>64,195</u>	<u>561,451</u>	<u>5,010</u>	<u>116,142</u>	<u>749,368</u>
<u>Accumulated depreciation</u>						
At 1 January 2020	-	(18,553)	(391,617)	(4,704)	(86,155)	(501,029)
Charge for the financial year	-	(1,508)	(2,913)	(69)	(5,405)	(9,895)
Disposal	-	-	195	-	62	257
At 31 December 2020	<u>-</u>	<u>(20,061)</u>	<u>(394,335)</u>	<u>(4,773)</u>	<u>(91,498)</u>	<u>(510,667)</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, computers and equipment RM'000	Total RM'000
<u>Accumulated impairment loss</u>						
At 1 January 2020/31 December 2020	-	(20,206)	(159,322)	(147)	(10,410)	(190,085)
<u>Net book value</u>						
At 31 December 2020	2,570	23,928	7,793	90	14,235	48,616

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>Freehold land</u> <u>RM'000</u>	<u>Buildings</u> <u>RM'000</u>	<u>Plant and machinery</u> <u>RM'000</u>	<u>Motor vehicles</u> <u>RM'000</u>	<u>Furniture, computers and equipment</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>Cost</u>						
At 1 January 2021	2,570	64,195	544,693	5,010	115,228	731,696
Additions	-	-	29	-	759	788
Disposals	-	-	(717)	(368)	(1,047)	(2,132)
At 31 December 2021	<u>2,570</u>	<u>64,195</u>	<u>544,005</u>	<u>4,642</u>	<u>114,940</u>	<u>730,352</u>
<u>Accumulated depreciation</u>						
At 1 January 2021	-	(20,061)	(394,309)	(4,773)	(90,583)	(509,726)
Charge for the financial year	-	(1,508)	(2,180)	(52)	(4,330)	(8,070)
Disposals	-	-	711	368	1,010	2,089
At 31 December 2021	<u>-</u>	<u>(21,569)</u>	<u>(395,778)</u>	<u>(4,457)</u>	<u>(93,903)</u>	<u>515,707</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, computers and equipment RM'000	Total RM'000
<u>Accumulated impairment loss</u>						
At 1 January 2021	-	(20,206)	(142,591)	(147)	(10,410)	(173,354)
Charge for the financial year (Note a)	-	-	-	-	(2,971)	(2,971)
At 31 December 2021	-	(20,206)	(142,591)	(147)	(13,381)	(176,325)
<u>Net book value</u>						
At 31 December 2021	2,570	22,420	5,636	38	7,656	38,320

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>Freehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Plant and machinery</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture, computers and equipment</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>						
At 1 January 2020	2,570	64,195	561,565	5,010	114,904	748,244
Additions	-	-	237	-	386	623
Disposals	-	-	(377)	-	(63)	(440)
Transfer	-	-	(16,731)	-	-	(16,731)
At 31 December 2020	<u>2,570</u>	<u>64,195</u>	<u>544,694</u>	<u>5,010</u>	<u>115,228</u>	<u>731,696</u>
<u>Accumulated depreciation</u>						
At 1 January 2020	-	(18,553)	(391,591)	(4,704)	(85,240)	(500,088)
Charge for the financial year	-	(1,508)	(2,913)	(69)	(5,405)	(9,895)
Disposals	-	-	195	-	62	257
At 31 December 2020	<u>-</u>	<u>(20,061)</u>	<u>(394,309)</u>	<u>(4,773)</u>	<u>(90,583)</u>	<u>(509,726)</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Company</u>	<u>Freehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Plant and machinery</u> RM'000	<u>Motor vehicles</u> RM'000	<u>Furniture, computers and equipment</u> RM'000	<u>Total</u> RM'000
<u>Accumulated impairment loss</u>						
At 1 January 2020	-	(20,206)	(159,322)	(147)	(10,410)	(190,085)
Transfer	-	-	16,731	-	-	16,731
At 31 December 2020	-	(20,206)	(142,591)	(147)	(10,410)	(173,354)
<u>Net book value</u>						
At 31 December 2020	2,570	23,928	7,793	90	14,235	48,616

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Impairment of property, plant and equipment

During the financial year, the Group and Company had performed a clearing exercise involving certain office equipment and furniture and fittings. An impairment assessment was performed resulting in a charge of RM3.0 million on identified office equipment and furniture and fittings as the recoverable amount is determined to be nil as there is no resale value. The charges had been recorded in "impairment of property, plant and equipment" in the Group and Company's statement of comprehensive income.

No impairment of property, plant and equipment was recognised during the previous financial year.

(b) Property, plant and equipment pledged as security

As at 31 December 2021, certain land and buildings of the Group with an aggregate carrying amount of RM12.6 million (2020: RM16.2 million) were pledged to a licensed bank as security for a borrowing facility granted to the ultimate holding company.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

11 LEASES

ROU

<u>Group</u>	<u>Leasehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>			
As at 1 January 2021	14,964	88,557	103,521
Transfer to finance lease receivables (Note a)	-	(46,392)	(46,392)
As at 31 December 2021	<u>14,964</u>	<u>42,165</u>	<u>57,129</u>
<u>Accumulated depreciation</u>			
As at 1 January 2021	(5,599)	(29,793)	(35,392)
Charge for the financial year	(411)	(7,036)	(7,447)
Transfer to finance lease receivables	-	15,737	15,737
As at 31 December 2021	<u>(6,010)</u>	<u>(21,092)</u>	<u>(27,102)</u>
<u>Net book value</u>			
As at 31 December 2021	<u>8,954</u>	<u>21,073</u>	<u>30,027</u>
<u>Cost</u>			
As at 1 January 2020	14,964	88,591	103,555
Termination	-	(34)	(34)
As at 31 December 2020	<u>14,964</u>	<u>88,557</u>	<u>103,521</u>
<u>Accumulated depreciation</u>			
As at 1 January 2020	(5,188)	(15,069)	(20,257)
Charge for the financial year	(411)	(14,743)	(15,154)
Termination	-	18	18
As at 31 December 2020	<u>(5,599)</u>	<u>(29,794)</u>	<u>(35,393)</u>
<u>Net book value</u>			
As at 31 December 2020	<u>9,365</u>	<u>58,763</u>	<u>68,128</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

11 LEASES (CONTINUED)

ROU (CONTINUED)

<u>Company</u>	<u>Leasehold land</u> RM'000	<u>Buildings</u> RM'000	<u>Total</u> RM'000
<u>Cost</u>			
As at 1 January 2021	14,964	46,392	61,357
Modification (Note c)	-	12,567	12,567
Transfer to finance lease receivables (Note a)	-	(46,392)	(46,392)
As at 31 December 2021	<u>14,964</u>	<u>12,567</u>	<u>27,531</u>
<u>Accumulated depreciation</u>			
As at 1 January 2021	(5,599)	(15,739)	(21,338)
Charge for the financial year	(411)	(3,150)	(3,561)
Transfer to finance lease receivables	-	15,737	15,737
As at 31 December 2021	<u>(6,010)</u>	<u>(3,152)</u>	<u>(9,162)</u>
<u>Net book value</u>			
As at 31 December 2021	<u><u>8,954</u></u>	<u><u>9,415</u></u>	<u><u>18,369</u></u>
<u>Cost</u>			
As at 1 January 2020	14,964	88,591	103,555
Termination	-	(34)	(34)
Modification (Note b)	-	(42,165)	(42,165)
As at 31 December 2020	<u>14,964</u>	<u>46,392</u>	<u>61,356</u>
<u>Accumulated depreciation</u>			
As at 1 January 2020	(5,188)	(15,069)	(20,257)
Charge for the financial year	(411)	(7,715)	(8,126)
Termination	-	18	18
Modification (Note b)	-	7,027	7,027
As at 31 December 2020	<u>(5,599)</u>	<u>(15,739)</u>	<u>(21,338)</u>
<u>Net book value</u>			
As at 31 December 2020	<u><u>9,365</u></u>	<u><u>36,653</u></u>	<u><u>40,018</u></u>

- (a) During the financial year, the Company has sub-leased the whole Balai Berita Bangsar ('BBKL') to Sistem Televisyen Malaysia Berhad ('STMB') to carry out its operations. The sub-lease term for BBKL between the Company and STMB is up until 2024, i.e., the same lease term between the Company and Permodalan Nasional Berhad ('PNB'). The impact to the sub-lease is detailed in Note 12.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

11 LEASES (CONTINUED)

ROU (CONTINUED)

- (b) In the previous financial year, the Company has sub-leased the Balai Berita Shah Alam ('BBSA') to Print Tower Sdn Bhd ('PTSB') to carry out its operations. The sub-lease term for BBSA between the Company and PTSB is up until 2024, i.e., the same lease term between the Company and PNB. The impact to the sub-lease is detailed in Note 12.
- (c) During the financial year, the Company made a modification to the sub-lease arrangement with PTSB for BBSA to increase leased space.

LEASE LIABILITIES

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Current	15,827	13,331
Non-current	34,490	50,317
	<u>50,317</u>	<u>63,648</u>

- (a) Amount recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Depreciation of ROU assets	(7,447)	(15,154)	(3,561)	(8,126)
Finance cost on lease liabilities	(3,234)	(3,979)	(3,234)	(3,979)
Expenses relating to short-term leases	(2,165)	(265)	(3,308)	(1,543)
Expenses relating to leases of low-value assets other than short-term leases	(170)	(123)	(170)	(123)
COVID-19 related rent concessions (Note (c))	-	2,071	-	2,071
	<u>-</u>	<u>2,071</u>	<u>-</u>	<u>2,071</u>

- (b) Leasing activities of the Group and Company

The Group and Company have lease contracts for various properties, office building and plant used in its operations. Leasehold land generally have lease tenures ranging from 50 and 99 years (2020: 50 and 99 years), leases of building and plant generally have lease terms of 4 years (2020: 5 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Group and Company also have certain short-term leases with a lease term of 12 months or less and leases of IT and office equipment with low value. The Group and Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

11 LEASES (CONTINUED)

(c) COVID-19 related rent concessions

During the previous financial year, as a result of the COVID-19 pandemic, the Group and Company received various forms of rent concessions, including payment holidays for a period of time.

The Group and Company have applied the practical expedient to all rent concessions that meet the conditions of the MFRS 16 amendments.

The amount recognised in the Group and Company's statement of comprehensive income that have reflected changes in lease payments that arise from rent concessions to which the Group and Company have applied the practical expedient is RM2.1 million. The lease liability is reduced by RM2.1 million correspondingly.

(d) Extension options and termination options

Extension and termination options are included in various leases across the Group and the Company. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension and termination options are included, when possible, to provide the Group and Company with greater flexibility to align its business strategy.

In cases in which the Group and Company are not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(e) Reconciliation of financial liabilities arising from financing activities in relation to leases

The table below details changes in the Group's and Company's liabilities arising from financing activities in relation to leases including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and Company's statement of cash flows as cash flows from financing activities.

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	63,648	76,332	63,648	76,332
Cash flows	(16,565)	(14,592)	(16,565)	(14,592)
Non-cash movements:				
- Interest accretion	3,234	3,979	3,234	3,979
- COVID-19 related rent concessions	-	(2,071)	-	(2,071)
At 31 December	<u>50,317</u>	<u>63,648</u>	<u>50,317</u>	<u>63,648</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

11 LEASES (CONTINUED)

(f) Minimum lease payments

The following is a summary of the minimum lease payments:

	<u>2021</u> RM'000	<u>Group and Company</u> <u>2020</u> RM'000
<u>Lease rental obligations</u>		
Within 1 year	18,221	16,565
Between 1 and 2 years	18,221	18,221
Between 2 and 3 years	18,221	18,221
More than 3 years	-	18,180
	<u>54,663</u>	<u>71,228</u>
At 31 December	54,663	71,228
Less: future finance charges	(4,346)	(7,580)
	<u>50,317</u>	<u>63,648</u>
Present value of lease obligations	<u>50,317</u>	<u>63,648</u>

12 FINANCE LEASE RECEIVABLES

The Group's finance lease receivables arise from the subleasing of Balai Berita Kuala Lumpur ('BBKL') to its fellow subsidiary, Stesen Televisyen Malaysia Berhad ('STMB').

<u>Group</u>	<u>Minimum lease payments</u>		<u>Present value of minimum lease payments</u>	
	<u>2021</u> RM'000	<u>2020</u> RM'000	<u>2021</u> RM'000	<u>2020</u> RM'000
<u>Current:</u>				
Within one year	9,505	-	7,440	-
<u>Non-current:</u>				
After one year but within two years	9,505	-	8,221	-
After two years but within three years	9,505	-	9,084	-
	<u>19,010</u>	<u>-</u>	<u>17,305</u>	<u>-</u>
	28,515	-	24,745	-
Less: unearned finance income	(3,770)	-		
	<u>24,745</u>	<u>-</u>		

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

12 FINANCE LEASE RECEIVABLES (CONTINUED)

The Company's finance lease receivables arise from the subleasing of Balai Berita Kuala Lumpur ('BBKL') and Balai Berita Shah Alam ('BBSA').

Company	Minimum lease payments		Present value of minimum lease payments	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Current:</u>				
Within one year	14,516	7,924	11,628	6,004
<u>Non-current:</u>				
After one year but within two years	14,516	8,716	12,726	7,284
After two years but within three years	14,516	8,716	13,931	7,837
After three years but within four years	-	8,716	-	8,431
	29,032	26,148	26,657	23,552
	43,548	34,072	38,285	29,556
Less: unearned finance income	(5,263)	(4,516)		
	38,285	29,556		

The effective interest rate implicit in the finance lease is approximately 10.02% (2020: 7.33%). The carrying amount of the finance lease receivables approximate their fair value.

During the financial year, the movement of finance lease receivables are due to the following reasons:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 1 January	-	-	29,556	-
Transfer from ROU	30,653	-	18,088	35,120
Non cash – Fixed monthly capacity charges	(8,641)	-	(13,196)	(7,941)
Finance lease income	2,733	-	3,837	2,343
	24,745	-	38,285	29,556

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

13 INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Cost</u>				
At 1 January	38,857	38,857	10,998	10,998
Transfer to non-current assets held for sale (Note 22(a))	(13,300)	-	-	-
At 31 December	<u>25,557</u>	<u>38,857</u>	<u>10,998</u>	<u>10,998</u>
<u>Accumulated depreciation</u>				
At 1 January	(12,139)	(11,467)	(8,393)	(8,095)
Depreciation charge	(438)	(672)	(146)	(298)
Transfer to non-current assets held for sale (Note 22(a))	1,724	-	-	-
At 31 December	<u>(10,853)</u>	<u>(12,139)</u>	<u>(8,539)</u>	<u>(8,393)</u>
<u>Net book value</u>				
As at 31 December	<u>14,705</u>	<u>26,719</u>	<u>2,460</u>	<u>2,606</u>

The following amounts have been recognised in profit or loss in respect of investment properties:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Direct operating expenses incurred from investment properties that generate rental income	647	823	251	218
Direct operating expenses incurred from investment properties that did not generate rental income	49	239	-	-

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

13 INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value of investment properties

The fair value of the properties based on valuations by an independent professional valuer during the financial year using the cost and comparison method is as follows:

	2021		2020	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<u>Group</u>				
Investment properties	14,705	42,663	26,719	66,893
<u>Company</u>				
Investment properties	2,460	17,263	2,606	15,803

The fair value of the properties of the Group and Company have been determined based on inputs other than quoted prices included within active markets that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) which is within level 2 of the fair value hierarchy.

(b) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payables monthly. The Group and Company classify these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2021 RM'000	2020 RM'000
Within 3 months	121	14
Between 3 and 1 year	138	25
More than 1 year	11	30

(c) Investment properties pledged as securities

As at 31 December 2021, certain investment properties of the Company with an aggregate carrying amount of RM0.6 million (2020: RM12.4 million) were pledged to a licensed bank as security for a borrowing facility granted to the ultimate holding company. The Company are required to assign any rental income and proceeds of disposal of the pledged investment properties to the licensed bank.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

14 SUBSIDIARIES

	<u>2021</u>	<u>Company</u> <u>2020</u>
	RM'000	RM'000
Unquoted shares, at cost	11,746	11,746
Less: Accumulated impairment losses	(8,915)	(7,915)
	<u>2,831</u>	<u>3,831</u>
Amount due from a subsidiary	11,277	11,360
	<u>14,108</u>	<u>15,191</u>

The Group's equity interests in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 32 to the financial statements.

The amount due from a subsidiary is unsecured, interest free and it is repayable on demand. The Directors consider the amount as part of the Company's investment in the subsidiary. The movement on loss allowance for amount due from subsidiaries is detailed in Note 30(b).

(a) Impairment assessment on investment in Print Towers Sdn Bhd ('PTSB')

PTSB's continuing losses during the financial year were identified as indicators for an impairment test to be performed for the Company's investment in PTSB.

Due to the inherent uncertainty arising from the COVID-19 pandemic, the recoverable amount of the investment is determined using the FVLCS method applying the income approach of present value technique. The projections cover a five (5) year period with terminal value. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

In determining the value of each key assumption, the management used the approved budget for 2022 as well as external market data. The inputs used in the valuation technique represent the market participants' expectations of the highest and best use of the investment.

In the previous financial year, the recoverable amount of the investment was determined using the VIU method, applying a discounted cash flow model using cash flow projections covering a five (5) year period with terminal value. The cash flow is derived based on the approved budgeted cash flows for 2021 and projection for a period of subsequent four (4) years, based on management's plans.

The key assumptions used for are as follows:

	<u>2021</u>	<u>2020</u>
	%	%
Average revenue growth		
- Printing	(7.0) - (26.2)	(10.0)
Discount rate	14.7	12.7
Terminal growth rate	0.0	0.0
	<u> </u>	<u> </u>

As a result of the assessment, the Company's investment in PTSB is fully impaired as the carrying amount included in the financial statements exceeded the recoverable amount.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

15 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, FELLOW SUBSIDIARIES AND ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Non-current assets</u>				
Amount due from ultimate holding company	98,400	97,755	98,400	97,755
<u>Current assets</u>				
Amounts due from ultimate holding company	26,007	11,352	26,007	11,352
Amounts due from subsidiaries	-	-	50,065	55,715
Less: Loss allowances	-	-	(31,253)	(31,253)
	26,007	11,352	44,819	35,814
Amounts due from fellow subsidiaries	24,918	17,615	24,918	17,615
Less: Loss allowances	(6,122)	(1,140)	(6,122)	(1,140)
	18,796	16,475	18,796	16,475
<u>Current liabilities</u>				
Amounts due to subsidiaries	-	-	(1,006)	(1,006)
Amounts due to fellow subsidiaries	(32,520)	(29,894)	(32,025)	(29,399)
Amount due to ultimate holding company	(1,360)	(930)	-	-

The current portion of amounts due from/(to) ultimate holding company, subsidiaries and fellow subsidiaries are denominated in Ringgit Malaysia, unsecured and repayable on demand.

On 28 December 2018, the Company provided a RM204.0 million unsecured loan to the ultimate holding company. The loan will mature on 31 December 2023 and is entirely repayable on its maturity date. The effective interest rate of the term loan is 3.88% per annum. During the previous financial year, the ultimate holding company repaid RM105.6 million, of which RM30.6 million was setting off against intercompany balances due to the ultimate holding company.

The movement on loss allowance for amount due from ultimate holding company, subsidiaries and fellow subsidiaries is detailed in Note 30(b).

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
At 1 January/At 31 December	688	688

The Group and Company have irrevocably elected the non-trading equity securities above to present its fair value changes in OCI. The Group and Company consider this classification to be more relevant as these instruments are not held for trading purposes.

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Tropicana Golf & Country Resort	440	440
Saujana Resort (M) Berhad	248	248

17 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities				
- To be settled after more than 12 months	(227)	(466)	-	-

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

17 DEFERRED TAXATION (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position: (continued)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	(466)	(426)	-	-
Credited/(charged) to profit or loss (Note 9):				
- property, plant and equipment	1,507	436	1,300	446
- other payables and provisions	(928)	(624)	(1,202)	(696)
- ROU assets	19,443	(4,481)	5,196	10,388
- lease liabilities	(10,595)	4,629	(3,199)	(3,045)
- lease receivables	(9,188)	-	(2,095)	(7,093)
	239	(40)	-	-
At 31 December	(227)	(466)	-	-
<u>Deferred tax assets</u>				
Provision	9,434	10,362	9,059	10,260
Lease liabilities	12,354	22,949	12,076	15,275
	21,788	33,311	21,135	25,535
Offsetting	(21,788)	(33,311)	(21,135)	(25,535)
Deferred tax assets (after offsetting)	-	-	-	-
<u>Deferred tax liabilities</u>				
Property, plant and equipment	(7,797)	(9,304)	(7,538)	(8,838)
ROU assets	(5,030)	(24,473)	(4,409)	(9,604)
Finance lease receivable	(9,188)	-	(9,188)	(7,093)
	(22,015)	(33,777)	(21,135)	(25,535)
Offsetting	21,788	33,311	21,135	25,535
Deferred tax liabilities (after offsetting)	(227)	(466)	-	-

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

17 DEFERRED TAXATION (CONTINUED)

The amount of allowances, deductible temporary differences and unused tax losses (which have 10 years of expiry period) for which no deferred tax asset is recognised in the statements of financial position is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unused tax losses	171,679	166,953	163,135	163,135
Unabsorbed capital allowance	6,746	16,374	6,746	16,374
Reinvestment allowance	238,299	238,299	238,299	238,299
Deductible temporary differences	22,503	18,806	10,547	4,960
	<u>439,227</u>	<u>440,432</u>	<u>418,727</u>	<u>422,768</u>
Deferred tax assets not recognised at 24% (2020: 24%)	<u>105,414</u>	<u>105,704</u>	<u>100,494</u>	<u>101,464</u>

The expiry of the Group and Company's tax losses according to year of assessment ("YA") is summarised below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
- 2025	-	69,430	-	69,430
- 2026	-	91,198	-	91,198
- 2027	-	6,325	-	2,507
- 2028	69,430	-	69,430	-
- 2029	91,198	-	91,198	-
- 2030	6,325	-	2,507	-
- 2031	4,726	-	-	-
	<u>171,679</u>	<u>166,953</u>	<u>163,135</u>	<u>163,135</u>

No deferred tax assets are recognised from the above due to uncertainty of their recoverability. Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit to carry forward unutilised tax losses has been extended to 10 consecutive years (2020: 7 consecutive years) of assessment. Accordingly, any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for 10 consecutive years of assessment (i.e: from year assessment 2018 to 2028).

The unabsorbed reinvestment allowances are allowed to be carried forward for utilisation up to seven (7) consecutive YAs from the first year after the end of the incentive period. If the incentive period has expired prior to YA 2019, accumulated unabsorbed reinvestment allowances brought forward from YA 2018 shall be allowed to be utilised for another seven (7) consecutive YAs i.e. from YA 2019 to YA 2025. Any amount which remains unutilised by YA 2025 shall be disregarded from YA 2026.

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

18 INTANGIBLE ASSETS

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
<u>Computer software</u>		
<u>Cost</u>		
At 1 January/31 December	1,715	1,715
<u>Accumulated amortisation</u>		
At 1 January	(1,637)	(1,565)
Charge for the year	(72)	(72)
At 31 December	(1,709)	(1,637)
<u>Net book value</u>		
At 31 December	6	78

19 INVENTORIES

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Raw materials	14,317	23,771	-	57

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

20 RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:				
Deposits (Note a)	3,592	-	3,323	-
Current:				
Trade receivables	40,462	49,913	34,156	43,565
Amount due from related party	1,847	2,749	-	153
Less: Loss allowance	(34,452)	(44,872)	(28,973)	(39,393)
	7,857	7,790	5,183	4,325
Other receivables	9,935	11,312	5,858	7,957
Less: Loss allowance	(1,290)	(239)	(1,166)	(115)
	8,645	11,073	4,692	7,842
Contract assets (Note b)	853	976	-	-
Deposits	-	3,396	-	3,350
Prepayments	259	351	259	351
	9,757	15,796	4,951	11,543
	17,614	23,586	10,134	15,868
Total	21,206	23,586	13,457	15,868

Credit terms of trade receivables and amount due from related party range from 0 to 120 days (2020: 0 to 120 days). Analysis of the credit risk and receivables are disclosed in Note 30(b).

(a) Non-current deposits

Included in the non-current deposits of the Group and Company are deposits for the rental and utilities of premises and employee medical insurance facilities that are expected to be recovered within a period exceeding one (1) year.

(b) Movement of contract assets net of loss allowances charged during the financial year were as follows:

	Group	
	2021 RM'000	2020 RM'000
As at 1 January	976	-
Increases as a result of services performed and goods delivered but yet to be billed	853	976
Transfer to receivables	(976)	-
As at 31 December	853	976

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

21 DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	16,820	22,714	14,701	21,761
Cash and bank balances	2,023	4,248	1,717	3,771
	<u>18,843</u>	<u>26,962</u>	<u>16,418</u>	<u>25,532</u>

The interest rates for the deposits at 1.75% (2020: 1.75% to 3.00%) per annum for the Group and Company.

Deposits of the Group and Company at the end of the reporting period has maturity period of 1 day (2020: 1 day). Bank balances are deposits held at call with banks and earn no interest.

22 NON-CURRENT ASSETS HELD FOR SALE

The details of non-current assets held for sale are as follows :

	Group	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Investment properties	<u>11,576</u>	<u>-</u>

The movements of non-current assets held for sale as follows :

	Group	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
At 1 January	-	-
Transfer from investment properties (Note (a))	11,576	-
At 31 December	<u>11,576</u>	<u>-</u>

(a) Transfer from investment properties

During the financial year, The New Straits Times Properties Sdn Bhd, a subsidiary of the Company, entered into a sale and purchase agreement to dispose a piece of leasehold property. The disposal is expected to be completed in the financial year ending 31 December 2022.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

23 TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade payables	3,473	10,900	1,037	5,242
Accrued expenses	26,840	20,629	18,494	16,427
Other payables	9,271	7,839	8,594	5,542
Provision for termination benefits (Note a)	-	2,000	-	2,000
Contract liabilities (Note b)	5,196	10,397	4,696	10,397
	<u>44,780</u>	<u>51,765</u>	<u>32,821</u>	<u>39,608</u>

Credit terms of trade payables normally range from no credit to 90 days (2020: 90 days)

(a) Provision for termination benefits

The provision for termination benefits relates to provision in respect of manpower rationalisation arising from exercise undertaken by management to rescale operations across the Group and Company. The provision is expected to be utilised within the next twelve months.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	2,000	8,762	2,000	8,762
Charge for the financial year	-	2,000	-	2,000
Reversal during the financial year	(2,000)	(8,762)	(2,000)	(8,762)
At 31 December	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

23 TRADE AND OTHER PAYABLES (CONTINUED)

(b) Contract liabilities

Contract liabilities are in relation to advance receipts from customers and provision for product returns, previously presented as deferred income and accrued expenses respectively. The services are expected to be rendered to the customers within the next twelve months.

Movement of contract liabilities during the year were as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
At 1 January	10,397	7,168	10,397	7,168
Contract liabilities including revenue (net) recognised during the financial year	5,196	10,397	4,696	10,397
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	(10,397)	(7,168)	(10,397)	(7,168)
At 31 December	<u>5,196</u>	<u>10,397</u>	<u>4,696</u>	<u>10,397</u>

24 BORROWINGS

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Bankers' acceptance	<u>1,061</u>	<u>13,402</u>

During the financial year, the Group and Company obtained a bankers' acceptance facility with a term of 3 months. The facility's effective interest rate is 2.52% (2020: 3.78%) per annum and is repayable in entirety on its maturity date.

Credit facilities as at 31 December 2021 available to the Group and Company amounts to RM7.4 million (2020: RM13.7 million).

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

24 BORROWINGS (CONTINUED)

The table below details changes in the Group's and the Company's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Company's statement of cash flows as cash flows from financing activities.

	At 1 January RM'000	Cash flows RM'000	<u>Non-cash movement</u> Accretion of interest RM'000	At 31 December RM'000
<u>Group and Company</u>				
<u>2021</u>				
Borrowings	13,402	(12,448)	107	1,061
<u>2020</u>				
Borrowings	4,688	8,123	591	13,402

25 SHARE CAPITAL AND OTHER RESERVES

	<u>Group and Company</u>			
	<u>2021</u>		<u>2020</u>	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
<u>Ordinary shares</u>				
<u>Issued and fully paid</u>				
At 1 January/31 December	217,228	400,310	217,228	400,310
<u>Other reserves</u>				

The other reserves comprises the cumulative net change in the fair value of financial assets designated at FVOCI until the assets are derecognised or impaired.

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
At 1 January/31 December	5	5

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

26 CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Property, plant and equipment: - approved but not contracted	641	674

27 CONTINGENT LIABILITIES

The Group and Company are a defendant in 15 (2020: 14) legal suits with contingent liabilities amounting to approximately RM3.4 million (2020: RM4.6 million) as at 31 December 2021. Of the 15 legal suits, 13 (2020: 13) suits are for alleged defamation, 2 (2020: 1) suit is for breach of contract.

In relation to the defamation suits against the Group and Company, these have emanated exclusively from its extensive reporting of news and events. As the purveyor of news and information, the Group and Company face the threat of legal suits on a daily and an ongoing basis. The law does not restrict anyone from filing a suit against another regardless of motive, objective and amount. Even practising the highest standard of reporting and journalism will not avoid the risk of legal suits for the simple reason that people will sue if they perceive that they have been wronged. Hence, having regard to the array of legal defences available to a media company, simply having a legal suit filed against it does not necessarily nor automatically translate into a liability for the Group and Company, whether contingent or otherwise. Furthermore, it is noted that regardless of amount claimed, the current trend of award for defamation suits once liability is determined by the Courts is between RM50,000 to RM300,000. In addition, for the defamation suits against it, the Group and Company already has in place insurance coverage against damages, if any, awarded against it.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group and Company as at 31 December 2021 as the Directors are of the opinion that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group and Company to have a material impact on the financial position of the Group and Company.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

28 SIGNIFICANT RELATED PARTY DISCLOSURES

The related parties of, and the relationship with the Group and Company, are as follows:

<u>Related parties</u>	<u>Relationship</u>
Media Prima Berhad ("MPB")	Ultimate holding company
Sistem Televisyen Malaysia Berhad ("STMB")	Fellow subsidiary
Big Tree Outdoor Sdn. Bhd. ("BTO")	Fellow subsidiary
Media Prima Digital Sdn. Bhd. ("MPD")	Fellow subsidiary
One FM Radio Sdn. Bhd. ("One FM")	Fellow subsidiary
Primeworks Studios Sdn Bhd ("PWS")	Fellow subsidiary
Rev Media Group Sdn Bhd ("RMG")	Fellow subsidiary
Synchrosound Studio Sdn Bhd ("HotFM")	Fellow subsidiary
Big Tree Outdoor Sdn Bhd ("BTO")	Fellow subsidiary
Media Prima Omnia Sdn Bhd ("Omnia")	Fellow subsidiary
Honda (Malaysia) Sdn Bhd ("Honda")	Related by virtue of a common major shareholder [^] of both Honda and the Company
TMR Media Sdn Bhd ("TMR")	Related by virtue of a common major shareholder [^] of both TMR and the Company
Percetakan Nasional Malaysia Berhad ("PNMB")	Related by virtue of a common major shareholder [^] of both PNMB and the Company
Media Mulia Sdn Bhd ("Media Mulia")	Related by virtue of a common major shareholder [^] of both Media Mulia and the Company

The subsidiaries and associates of the Company is detailed in Note 32.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

28 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are the significant related party transactions which were carried out based on terms and conditions agreed by the parties during the current financial year and the previous financial year:

Significant related party transactions:

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Management fees charged by:				
- ultimate holding company	(360)	(8,848)	(186)	(7,935)
- a fellow subsidiary	189	(3,037)	189	(3,037)
Media related solution charged to:				
- Honda	371	1,119	371	1,119
Provision of printing and distribution services charged to:				
- Media Mulia	10,802	5,007	-	-
- TMR	718	1,015	-	-
- PNMB	2,954	2,919	-	-
Provision of printing and distribution services charged by subsidiary	-	-	37,043	50,075
Finance lease receivable from a subsidiary	-	-	-	29,956
Finance lease income charged to:				
- PTSB	-	-	1,103	2,343
- STMB	2,734	-	2,734	-
Sale of advertisements to STMB	-	85	-	85
Digital royalty from MPD	2,500	3,386	2,500	3,386
Rental expense charged by a subsidiary	-	-	(1,143)	(1,278)
Rental income charged by a subsidiary to a fellow subsidiary	27	112	-	-
Rental income charged to MPB	-	3,551	-	3,551
Intercompany loans:				
- Interest on loan to MPB	4,172	6,153	4,172	6,153
Settlement of intercompany balances to MPB	-	(105,600)	-	(105,600)

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

28 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party balances:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amount due from related party:				
- Media Mulia	821	1,933	-	-
- TMR	245	339	-	-
- PNMB	781	324	-	-
Amount due from/(to):				
- MPB	24,647	10,422	26,007	11,352
- Omnia	(1,266)	(901)	(1,266)	(901)
- HOTFM	(616)	(526)	(616)	(526)
- STMB	(8,420)	(8,012)	(8,420)	(8,012)
- MPD	(2,708)	(3,076)	(2,213)	(2,581)
- The New Straits Times Properties Sdn Bhd	-	-	11,057	11,211
- New Straits Times Sdn Bhd	-	-	(1,006)	(1,006)
- PTSB	-	-	18,796	24,467
Intercompany loans to:				
- MPB	98,400	97,755	98,400	97,755

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Executive Directors, Non-Executive Directors and the senior management of the Company. Key management compensation was as follows:

	Group and Company	
	2021 RM'000	2020 RM'000
Basic salary and bonuses	602	528
Fees and other allowances	62	194
Defined contribution plan	106	103
Benefits-in-kind	7	7
	<u>777</u>	<u>832</u>

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

29 FINANCIAL INSTRUMENTS BY CATEGORY

The table below provides an analysis of financial instruments categorised as follows:

	Amortised cost <u>RM'000</u>	Financial assets at FVOCI <u>RM'000</u>	Total <u>RM'000</u>
<u>2021</u>			
<u>Financial assets</u>			
<u>Group</u>			
Financial assets at FVOCI	-	688	688
Receivables excluding prepayments, statutory refundable, non-refundable deposits and contract assets	16,502	-	16,502
Deposits, bank and cash balances	18,843	-	18,843
Amount due from ultimate holding company	124,407	-	124,407
Amounts due from fellow subsidiaries	18,796	-	18,796
Total	<u>178,548</u>	<u>688</u>	<u>179,236</u>
<u>Company</u>			
Amount due from subsidiaries	18,812	-	18,812
Financial assets at FVOCI	-	688	688
Receivables excluding prepayments, statutory refundable, non-refundable deposits and contract assets	9,875	-	9,875
Deposits, bank and cash balances	16,418	-	16,418
Amount due from ultimate holding company	124,407	-	124,407
Amounts due from fellow subsidiaries	18,796	-	18,796
Total	<u>188,308</u>	<u>688</u>	<u>188,996</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

29 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The table below provides an analysis of financial instruments categorised as follows: (continued)

	Amortised cost RM'000	Financial assets at FVOCI RM'000	Total RM'000	
<u>2020</u>				
<u>Financial assets</u>				
<u>Group</u>				
Financial assets at FVOCI	-	688	688	
Receivables excluding prepayments, statutory refundable, non-refundable deposits and contract assets	18,863	-	18,863	
Deposits, bank and cash balances	26,962	-	26,962	
Amount due from ultimate holding company	109,107	-	109,107	
Amounts due from fellow subsidiaries	16,475	-	16,475	
Total	<u>171,407</u>	<u>688</u>	<u>172,095</u>	
<u>Company</u>				
Amount due from subsidiaries	24,462	-	24,462	
Financial assets at FVOCI	-	688	688	
Receivables excluding prepayments, statutory refundable, non-refundable deposits and contract assets	12,167	-	12,167	
Deposits, bank and cash balances	25,532	-	25,532	
Amount due from ultimate holding company	109,107	-	109,107	
Amounts due from fellow subsidiaries	16,475	-	16,475	
Total	<u>187,743</u>	<u>688</u>	<u>188,431</u>	
<u>Other financial liabilities at amortised cost</u>				
	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Trade and other payables excluding statutory liabilities, provisions and contract liabilities	39,430	40,206	27,773	27,875
Amount due to ultimate holding company	1,360	930	-	-
Amounts due to subsidiaries	-	-	1,006	1,006
Amount due to fellow subsidiaries	32,520	29,894	32,025	29,399
Lease liabilities	50,317	63,648	50,317	63,648
Borrowings	1,061	13,402	1,061	13,402
Total	<u>124,688</u>	<u>148,080</u>	<u>112,182</u>	<u>135,330</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

29 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The following financial assets and financial liabilities are subject to offsetting:

<u>Group</u>	Gross Amounts of Recognised Financial assets RM'000	Gross amounts of recognised financial liabilities set-off in the statement of financial position of financial position RM'000	Net amount RM'000
<u>Financial assets</u>			
<u>2021</u>			
Amounts due from ultimate holding company	124,767	(360)	124,407
Amounts due from fellow subsidiaries	24,246	(5,450)	18,796
<u>2020</u>			
Amounts due from ultimate holding company	117,955	(8,848)	109,107
Amounts due from fellow subsidiaries	20,572	(4,097)	16,475
<u>Financial liabilities</u>			
<u>2021</u>			
Amounts due to ultimate holding company	1,720	(360)	1,360
Amounts due to fellow subsidiaries	37,970	(5,450)	32,520
<u>2020</u>			
Amounts due to ultimate holding company	9,778	(8,848)	930
Amounts due to fellow subsidiaries	33,991	(4,097)	29,894

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

29 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The following financial assets and financial liabilities are subject to offsetting:

<u>Company</u>	<u>Gross Amounts of Recognised Financial assets RM'000</u>	<u>Gross amounts of recognised financial liabilities set-off in the statement of financial position RM'000</u>	<u>Net amount RM'000</u>
<u>Financial assets</u>			
<u>2021</u>			
Amounts due from ultimate holding company	124,593	(186)	124,407
Amounts due from fellow subsidiaries	24,219	(5,423)	18,796
<u>2020</u>			
Amounts due from ultimate holding company	117,042	(7,935)	109,107
Amounts due from fellow subsidiaries	20,460	(3,985)	16,475
<u>Financial liabilities</u>			
<u>2021</u>			
Amounts due to subsidiaries	38,009	(37,003)	1,006
Amounts due to fellow subsidiaries	37,448	(5,423)	32,025
<u>2020</u>			
Amounts due to subsidiaries	52,146	(51,140)	1,006
Amounts due to fellow subsidiaries	33,384	(3,985)	29,399

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures, where required.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, price risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into currencies other than Ringgit Malaysia.

The exposure of the Group to currency fluctuations is minimal. The Group does not enter into any financial instruments to hedge movements in foreign currency exchange unless the risk is deemed to be significant.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets at fair value through other comprehensive income. No financial instruments or derivatives have been employed to hedge this risk as the risk is deemed to be insignificant.

(iii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings from licensed banks and loan to ultimate holding company.

The Group does not enter into any financial instruments to hedge movements in interest rate unless the risk is deemed to be significant.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions, financial assets carried at amortised cost and at fair value through other comprehensive income (FVOCI).

Trade receivables and contract assets

Credit risk for trade receivables and contract assets is managed by analysing the credit risk for each of the Group and Company's new clients before standard payment and delivery terms and conditions are offered. The exposure to credit risk is monitored on an ongoing basis.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position. The Group and Company hold bank guarantees and deposits placed by customers as collateral to reduce its credit risk.

The Group and Company have no significant concentration of credit risk as it trades with large number of customers. Due to these factors, the Group and Company believe that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group and Company's trade receivables and contract assets.

The Group and Company apply MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 1 year before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and Company has identified the financial institutions' average lending rate and inflation as the most relevant factor, and accordingly, adjust the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and Company, and a failure to make contractual payments. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables and contract assets (continued)

On that basis, the loss allowance was determined as follows for trade receivables and contract assets:

	<u>Gross</u> RM'000	<u>Average</u> <u>expected</u> <u>loss rate</u> %	<u>Collective</u> <u>impairment</u> RM'000	<u>Net</u> RM'000
<u>2021</u>				
<u>Group</u>				
Not past due	3,085	3.7	112	2,973
Past due 1-3 months	2,186	11.1	242	1,944
Past due 4-6 months	587	12.9	76	511
Past due 7-12 months	893	34.8	311	582
Past due more than 12 months	33,711	100.0	33,711	-
	<u>40,462</u>		<u>34,452</u>	<u>6,010</u>
Contract assets	853		-	853
	<u>41,315</u>		<u>34,452</u>	<u>6,863</u>
<u>Company</u>				
Not past due	2,596	4.3	112	2,484
Past due 1-3 months	2,146	11.3	242	1,904
Past due 4-6 months	395	19.3	76	319
Past due 7-12 months	788	39.5	312	476
Past due more than 12 months	28,231	100.0	28,231	-
	<u>34,156</u>		<u>28,973</u>	<u>5,183</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade receivables and contract assets (continued)

On that basis, the loss allowance was determined as follows for trade receivables and contract assets: (continued)

	Gross RM'000	Average expected loss rate %	Collective impairment RM'000	Net RM'000
<u>2020</u>				
<u>Group</u>				
Not past due	2,996	9.4	284	2,712
Past due 1-3 months	2,012	20.9	421	1,591
Past due 4-6 months	727	65.8	479	248
Past due 7-12 months	5,711	91.4	5,221	490
Past due more than 12 months	38,467	100.0	38,467	-
	49,913		44,872	5,041
Contract assets	976		-	976
	50,889		44,872	6,017
<u>Company</u>				
Not past due	2,398	11.8	284	2,114
Past due 1-3 months	1,756	23.9	421	1,335
Past due 4-6 months	727	65.8	479	248
Past due 7-12 months	5,696	91.6	5,221	475
Past due more than 12 months	32,988	100.0	32,988	-
	43,565		39,393	4,172

The closing allowances for trade receivables reconcile to the opening loss allowances as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	44,872	47,286	39,393	41,812
(Reversal)/increase in loss allowance	(5,003)	2,809	(5,003)	2,804
Transfer to Omnia	(6,122)	-	(6,122)	-
Receivables written back/(off)	705	(5,223)	705	(5,223)
At 31 December	34,452	44,872	28,973	39,393

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Deposits and other receivables

Credit risk for deposits and other receivables are mainly arising from rental deposits and staff advances. The Group and Company manage the credit risk of rental deposits together with the specific leasing arrangements. Staff advances have low credit risks as these are mostly provided to existing staffs. These are managed on a monthly basis.

Deposits and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or refunds. Nevertheless, deposits and other receivables that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from deposits and other receivables are represented by the carrying amounts in the statement of financial position.

Deposits and other receivables provided are not secured by any collateral or supported by any other credit enhancements.

The Group and Company use the three stages approach for deposits and other receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. The Group and Company determine the probability of default for these deposits and other receivables considering historical data and macroeconomic information (such as market interest rates). Refer to Note 2(h)(iv) for accounting policy on impairment on financial assets.

<u>Internal credit rating</u>	<u>ECL rate</u>	<u>Basis for recognition of ECL provision</u>	<u>Estimated gross carrying amount at default</u> RM'000	<u>Loss allowance</u> RM'000	<u>Carrying amount (net of ECL provision)</u> RM'000
<u>Group</u>					
<u>2021</u>					
Performing	0%	12 month ECL	12,237	-	12,237
Non-performing	100%	Lifetime ECL	1,290	(1,290)	-
Total			<u>13,527</u>	<u>(1,290)</u>	<u>12,237</u>
<u>2020</u>					
Performing	0%	12 month ECL	14,708	-	14,708
Non-performing	100%	Lifetime ECL	239	(239)	-
Total			<u>14,947</u>	<u>(239)</u>	<u>14,708</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Deposits and other receivables (continued)

<u>Internal credit rating</u>	<u>ECL rate</u>	<u>Basis for recognition of ECL provision</u>	<u>Estimated gross carrying amount at default</u>	<u>Loss allowance</u>	<u>Carrying amount (net of ECL provision)</u>
<u>Company</u>					
<u>2021</u>					
Performing	0%	12 month ECL	8,015	-	8,015
Non-performing	100%	Lifetime ECL	1,166	(1,166)	-
Total			<u>9,181</u>	<u>(1,166)</u>	<u>8,015</u>
<u>2020</u>					
Performing	0%	12 month ECL	11,192	-	11,192
Non-performing	100%	Lifetime ECL	115	(115)	-
Total			<u>11,307</u>	<u>(115)</u>	<u>11,192</u>

The closing allowances for other receivables reconcile to the opening loss allowances as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January	239	239	115	115
Increase in loss allowance	1,051	-	1,051	-
At 31 December	<u>1,290</u>	<u>239</u>	<u>1,166</u>	<u>115</u>

As at the end of the reporting period, the Group and Company did not recognise any allowance for impairment losses for deposits as the impact is immaterial.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Amounts due from other related parties

The Group and Company provide rental of space and printing services to its related parties.

As at the end of the reporting period, the maximum exposure to credit risk arising from amounts due from related parties are represented by the carrying amounts in the statement of financial position.

The Group and Company use the three stages approach for amounts due from related parties which reflect their credit risk and how the loss allowances are determined for each of those stages. The Group and Company determine the probability of default for these amounts due from related parties individually using internal information available. Refer to Note 2(h)(iv) for accounting policy on impairment on financial assets.

As at the end of the reporting period, the Group and Company did not recognise any allowance for impairment losses for amount due from other related parties as the impact is immaterial.

Amounts due from intercompanies

The Group and Company have intercompany transaction with ultimate holding companies, subsidiaries and fellow subsidiaries.

The Group and Company provide advertising services to Omnia while amount due from ultimate holding company, subsidiaries and fellow subsidiaries mainly comprises loans given to ultimate holding company, advances and payment of behalf.

In measuring expected credit losses for amounts due from Omnia, the Group and Company apply MFRS 9 simplified approach which uses a lifetime expected loss allowance due to the trade nature of these amounts.

For amount due from Omnia, the expected loss rates are based on the payment profiles of sales over a period of 1 year before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of Omnia's customers to settle the receivables. The Group and Company has identified the financial institutions' average lending rate and inflation as the most relevant factor, and accordingly, adjust the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group and Company use the three stages approach for amounts due from ultimate holding companies, subsidiaries and fellow subsidiaries (other than Omnia) which reflect their credit risk and how the loss allowances are determined for each of those stages. The Company determines the probability of default for these amounts individually using internal information available. Refer to Note 2(h)(iv) for accounting policy on impairment on financial assets.

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Amounts due from intercompanies (continued)

The Group and Company monitor the results of the intercompanies regularly. As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

As at 31 December 2021, there was no indication that the amount due from ultimate holding company and from fellow subsidiaries other than Omnia are not recoverable. As such, the Group and Company did not recognise any allowance for impairment as the impact is immaterial.

Amount due from Omnia

On that basis, the loss allowance was determined as follows:

	<u>Gross</u> RM'000	<u>Average</u> <u>expected</u> <u>loss rate</u> %	<u>Collective</u> <u>impairment</u> RM'000	<u>Net</u> RM'000
<u>2021</u>				
<u>Group and Company</u>				
Not past due	10,039	0.7	75	9,964
Past due 1-3 months	863	17.4	150	713
Past due 4-6 months	569	53.6	305	264
Past due 7-12 months	516	89.0	459	57
Past due more than 12 months	5,133	100.0	5,133	-
	<u>17,120</u>		<u>6,122</u>	<u>10,998</u>
<u>2020</u>				
<u>Group and Company</u>				
Not past due	12,372	1.2	146	12,226
Past due 1-3 months	2,772	12.1	336	2,436
Past due 4-6 months	1,045	34.0	355	690
Past due 7-12 months	405	74.8	303	102
	<u>16,594</u>		<u>1,140</u>	<u>15,454</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Amounts due from intercompanies (continued)

Amount due from Omnia (continued)

The closing loss allowances for amounts due from Omnia reconcile to the opening loss allowance as follows:

	<u>2021</u> RM	<u>2020</u> RM
As at beginning of financial year	1,140	-
Increase in loss allowance	4,982	1,140
As at the end of the financial year	<u>6,122</u>	<u>1,140</u>

The creation and release of provision for impaired receivables have been included as a net loss on impairment in the consolidated statements of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Amounts due from subsidiaries and finance lease receivables

The Group and Company use the three stages approach for amount due from subsidiaries and finance lease receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. The Group and Company determine the probability of default for these amounts individually using internal information available. Refer to Note 2(h)(iv) for accounting policy on impairment on financial assets.

The following table contains an analysis of the credit risk exposure of amounts due from subsidiaries and finance lease receivables for which an ECL allowance is recognised. The gross carrying amount of amounts due from subsidiaries and finance lease receivables disclosed below also represents the Company's maximum exposure to credit risk on these assets:

<u>Company</u> <u>internal credit rating</u>	<u>ECL</u> <u>rate</u>	<u>Basis for</u> <u>recognition</u> <u>of ECL</u> <u>provision</u>	<u>Estimated</u> <u>gross</u> <u>carrying</u> <u>amount at</u> <u>default</u> <u>RM'000</u>	<u>Loss</u> <u>allowance</u> <u>RM'000</u>	<u>Carrying</u> <u>amount (net</u> <u>of ECL</u> <u>provision)</u> <u>RM'000</u>
<u>2021</u>					
Performing	0%	12 month ECL	57,097	-	57,097
Non-performing	100%	Lifetime ECL	31,253	(31,253)	-
Total			<u>88,350</u>	<u>(31,253)</u>	<u>57,097</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Amounts due from intercompanies (continued)

Amounts due from subsidiaries and finance lease receivables (continued)

<u>Company internal credit rating</u>	<u>ECL rate</u>	<u>Basis for recognition of ECL provision</u>	<u>Estimated gross carrying amount at default RM'000</u>	<u>Loss allowance RM'000</u>	<u>Carrying amount (net of ECL provision) RM'000</u>
<u>2020</u>					
Performing	0%	12 month ECL	54,018	-	54,018
Non-performing	100%	Lifetime ECL	31,253	(31,253)	-
Total			<u>85,271</u>	<u>(31,253)</u>	<u>54,018</u>

The loss allowance for amount due from subsidiaries and finance lease receivables reconciles to the opening loss allowance as follows:

2021

<u>Company</u>	<u>Non- performing RM'000</u>	<u>Total RM'000</u>
At 1 January 2021/31 December 2021	<u>31,253</u>	<u>31,253</u>

2020

<u>Company</u>	<u>Non- performing RM'000</u>	<u>Total RM'000</u>
At 1 January 2020/31 December 2020	<u>31,253</u>	<u>31,253</u>

Cash and cash equivalents

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk arising from is represented by the carrying amounts in the statement of financial position.

For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. The Group seeks to invest cash assets safely and profitably. The Group and Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely as these financial institutions have low credit risks. In addition, the company has no significant concentration of credit risk except that the majority of its deposits are placed with major financial institution in Malaysia. As such, the Group and Company did not recognise any allowance for impairment as the impact is immaterial

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Cash flow forecasting is performed by the Company and aggregated by the Media Prima Group Treasury ("Group Treasury"). The Group Treasury monitors rolling forecasts of the entire Media Prima Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Media Prima Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements—for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Treasury. The Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. The Group Treasury also considers the impact of discharging borrowings within the media Prima Group by relocating cash between subsidiaries whereby new borrowings are entered into whilst available cash is used to settle existing loans in a manner that reduces the Media Prima Group's finance cost.

The Company's financial liabilities are all repayable within one year.

(d) Capital risk management

The Group's and Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of sustaining or changing the capital structure, the Group may adjust the amount of dividends paid to shareholders of the Company.

The capital structure of the Group and Company consists of debts and total equity, comprising issue share capital, other reserves and accumulated losses.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Total debts	51,378	77,050	51,378	77,050
Total equity	187,065	184,070	186,564	181,191
Total capital	<u>238,443</u>	<u>261,120</u>	<u>237,942</u>	<u>258,241</u>

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management (continued)

The Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Debt is calculated as total borrowings and lease liabilities (including "current and non-current lease liabilities" as shown in the statement of financial position). Total equity is calculated as "equity" as shown in the statement of financial position.

The Group and Company are subject to certain externally imposed capital requirements in the form of loan covenants. The Group and Company monitor the gearing ratio and compliance with loan covenants based on the terms of the loan agreements. The Group and Company have complied with the capital requirements imposed by its lenders as at financial year end.

The gearing ratios as at 31 December are as follows:

	Group		Company	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Total debts	<u>51,378</u>	<u>77,050</u>	<u>51,378</u>	<u>77,050</u>
Total equity	<u>187,065</u>	<u>184,070</u>	<u>186,564</u>	<u>181,191</u>
Gearing ratio	<u>0.27</u>	<u>0.42</u>	<u>0.28</u>	<u>0.43</u>

31 FAIR VALUE

(a) Fair value

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

31 FAIR VALUE (CONTINUED)

(b) Fair value hierarchy (continued)

Assets measured at fair value

Group and Company

	<u>Level 2</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
<u>Financial asset</u>		
Financial assets at FVOCI	688	688

32 SUBSIDIARIES AND ASSOCIATES

The Group's equity interests in subsidiaries and associates, their respective principal activities and countries of incorporation are as follows:

(a) Subsidiaries

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's interest</u>	
			<u>2021</u>	<u>2020</u>
			%	%
Print Towers Sdn. Bhd.	Newspaper printing and distribution	Malaysia	100	100
Business Times (Malaysia) Sdn. Bhd.	Dormant	Malaysia	100	100
Marican Sdn. Bhd.	Dormant	Malaysia	92.5	92.5
New Straits Times Sdn. Bhd.	Dormant	Malaysia	100	100
NSTP e-Media Sdn. Bhd.	Dormant	Malaysia	100	100
Shin Min Publishing (Malaysia) Sdn. Bhd.	Dormant	Malaysia	89.6	89.6
The New Straits Times Properties Sdn. Bhd.	Property management services	Malaysia	100	100

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

32 SUBSIDIARIES AND ASSOCIATES (CONTINUED)

The Group's equity interests in subsidiaries and associates, their respective principal activities and countries of incorporation are as follows: (continued)

(b) Associate

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Group's interest</u>	
			<u>2021</u>	<u>2020</u>
			%	%
Asia Magazines Limited	Dissolved	Hong Kong	-	29

On 8 June 2021, Asia Magazines Limited, an associate of the Group, was dissolved via a members' voluntary winding-up pursuant to Section 231 of the Hong Kong Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32). The dissolution did not have a significant impact to the Group during the financial year.

33 SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 20 January 2022, the lease of two piece two pieces of freehold land held under title no. GERAN 31811, Lot 443 and GERAN 31812, Lot 444, Seksyen 96A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ('Bangsar Property') has been terminated via a deed of termination pursuant to the completion of the acquisition of the Bangsar Property by STMB Properties. As at the date of termination, the carrying amount of the right-of-use asset and lease liability attributed to the lease of the Bangsar Property of RM22.4 million and RM25.6 million respectively shall be derecognised by the Group and Company.

34 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 9 March 2022.

Registration No.

196101000449 (4485 H)

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Mohd Rafiq Mat Razali and Mustapha Kamil bin Mohd Janor, two of the Directors of The New Straits Times Press (Malaysia) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 5 to 95 are drawn up so as to give a true and fair view of the state of the financial position of the Group and Company as at 31 December 2021 and financial performance of the Group and of the Company for the financial year ended 31 December 2021 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 9 March 2022.



MOHD RAFIQ MAT RAZALI
DIRECTOR



MUSTAPHA KAMIL BIN MOHD JANOR
DIRECTOR

Petaling Jaya

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Muhamad Fadzli bin Mustapha, the officer primarily responsible for the financial management of The New Straits Times Press (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 5 to 95 are, in my opinion, 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.



MUHAMAD FADZLI BIN MUSTAPHA
GENERAL MANAGER, FINANCE

Subscribed and solemnly declared by the above named at Petaling Jaya, Malaysia on 9 March 2022 before me.



3 Damansara Shopping Mall
3, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 196101000449 (4485-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of The New Straits Times Press (Malaysia) Berhad (“the Company”) and its subsidiaries (“the Group”) 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 their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of 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 5 to 95.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 196101000449 (4485-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group's and the Company's ability 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 International Standards on Auditing 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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 196101000449 (4485-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 Group's and of the Company's internal control.
- (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 Group's or on the Company's ability 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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD
(CONTINUED)
(Incorporated in Malaysia)
Registration No. 196101000449 (4485-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
02910/02/2023 J
Chartered Accountant

Kuala Lumpur
9 March 2022