

CEO Business Review

54

CEO Business Review 54

55

PUBLISHING & PRINTING 55
Publishing 55
Print 56
Retail and Distribution 56

PUBLISHING & PRINTING





CEO Business Review

PUBLISHING & PRINTING



Mr Siew Peng Yim
Chief Executive Officer,
Times Publishing Group



New digital content and continual expansion in international markets will spur revenue growth for the education business whilst the expansion to sustainable print packaging will reboot our print business.

Amidst the volatile recovery of the global economy from the COVID-19 pandemic, Times Publishing Limited ("TPL") managed to stabilise its business performance.

This year, TPL achieved a revenue of \$222.4m, a marginal decline of 3.3% from last year – a good performance in challenging times. Despite lower sales, the Group managed to narrow its losses by 75.7%, from \$10.5m last year to \$2.5m this year. This was achieved through rigorous restructuring exercises and improved profitability of Education Publishing and Book Distribution.

Our Education business continued to be TPL's main profit driver. This year, we continued to diversify the business by expanding our digital footprint and bringing our content to new markets. We continued to pivot our content to a digital-physical hybrid model, as the digital realm is evolving into a critical driver for our education business. In this aspect, we are also working with various educational institutions to provide online professional development courses

for educators in the ASEAN region. In addition, Education is also expanding its international market presence by expanding into markets like Azerbaijan.

Like Education, Printing is also diversifying its revenue stream. We are pursuing the expansion of our printing capabilities beyond traditional magazine and book printing to the production of sustainable print packaging. The global demand for promotional and sustainable packaging materials for the e-commerce, retail, and food & beverage industries continues to grow at a healthy pace. Eco-friendly print solutions to reduce the printing industry's impact on the environment also emerged as a significant market factor. We are targeting the FMCG, health and technology industry, as their demand for sustainable print solutions offers the most promising growth opportunities. To this end, we are in the process of adapting some of our existing print machines and installing ancillary print equipment at our facilities in Singapore to produce sustainable print packaging. The production line for our sustainable



Revenue

\$222.4m

\$230.0m in FY2020



Losses Before Interest & Taxation

\$2.5m

\$10.5m in FY2020

print solutions is targeted to come online in 2022. This new strategic direction will put the Print Group in a much stronger position to stage growth in both revenue and profitability.

Our high-street book retailing remained very trying, especially during the movement control orders and Phase 2 Heightened Alert periods in Malaysia and Singapore, respectively. Amidst the movement restriction orders, and changes in consumer purchasing behaviours, we have expanded our flagship online stores such as Marshall Cavendish and Times Junior, and partnered several e-commerce platforms to reach customers. We also hastened the closures of non-performing high street retail stores in Malaysia and Singapore to reduce losses.

The book distribution business remains resilient despite volatile footfall in retail outlets. We have gained new channels such as the online book market where it recorded the highest revenue growth and is becoming one of our key channels for book distribution. By contrast, the sharp decline in magazine sales reached a point where we ceased magazine distribution in Singapore and Malaysia effective 1 April 2021. Leveraging our strong distribution network, we have expanded our replacement portfolio with the distribution of lifestyle stationery brands such as Hallmark, Crayola and Smiggle, and our Office & School Solutions.

Despite the higher vaccination rates and re-opening of international borders, business sentiments remain cautious. Supply chain disruptions and higher operating costs continue to weigh on businesses. In the next 12 months, to navigate in this volatile and uncertain environment, we will continue to be vigilant, both in managing our cost base as well as in implementing our business strategies to grow top line and improve profitability. New digital content and continual expansion in international markets will spur revenue growth for the education business whilst the expansion to sustainable print packaging will reboot our print business. Our distribution business will regain its market strength eventually when normalcy in the retail trade returns.

PUBLISHING

Our publishing business is represented by Marshall Cavendish Education ("MCE"), Marshall Cavendish International (Asia) ("MCIA") and Marshall Cavendish Business Information ("MCBI"). Together, they create content that ranges from education, general interest, business information to home reference.

PUBLISHING: EDUCATION

MCE continued to grow and uphold its market share in educational content publishing in Singapore while achieving key wins in global markets. In Singapore, we were awarded tenders for the

Pre-School English and by the Singapore Ministry of Education for the Primary and Upper Secondary Sciences, Civics and Moral Education and Form Teachers' Guidance Programme for the Primary level. This year, for the first time, MCE was also awarded the tender for Physical Education.

On the international front, MCE's key markets like North America and ASEAN have recovered well. We made inroads into the Azerbaijan market through winning a government consultancy project to review its national curriculum and textbooks. In another breakthrough, the Indonesian Ministry of Education has licensed our textbook, Biology Matters, which will be adapted and translated into Bahasa Indonesian and used in their public secondary schools.

In Hong Kong, our team held several events both online and offline despite the restrictions imposed due to the ongoing pandemic. Online activities included an inter-school Primary Mathematics competition, a series of webinars on the topic, Citizenship and Social Development, and sales promotions on HKTV Mall, our flagship e-commerce store in Hong Kong.

In 2019, we were appointed one of the four Endorsement Partners of Cambridge Assessment International Education (CAIE) licensed to develop resources for Cambridge schools internationally. Since then, we have

CEO Business Review

PUBLISHING & PRINTING

completed a host of IGCSE subjects such as English as a Second Language, Science, Information Communication Technology and Computer Science which were developed by subject experts that had passed CAIE's rigorous quality-assurance process. All these will further strengthen MCE's market share in the international market.

Since the launch of MCEduHub, our online learning portal in 2020, we have intensified our effort to create content for the hybrid learning model as well as to form strategic alliances. To this end, we will partner various educational institutions to provide online learning courses on MCEduHub for the professional development of educators in the ASEAN region.

PUBLISHING: OTHERS

Our general interest publishing business achieved modest growth as the market gradually recovered. Last year, MCIA published a selection of fiction and non-fiction titles, including the English and Tamil version of the novel *Sembawang*. The title was launched in April 2021 with Minister Ong Ye Kung, MP for Sembawang, as guest-of-honour and India's High Commissioner to Singapore, Mr P. Kumaran, as special guest. Written by Kamaladevi Aravindan and translated by Anitha Devi Pillai, the title was shortlisted for the fiction category of the Singapore Book Awards and the NUS History Prize.

In addition to traditional print publishing, riding on the rise of on-demand content, MCIA has also adopted digital publishing option. Two books – *In Honour of War Heroes: Colin St Clair Oakes and the Design of Kranji War Memorial* by Athanasios Tsakonas and *We are Singaporeans*, written by Melanie Lee and illustrated by Lee Xin Li – were launched digitally. Going forward, MCIA will continue to focus on publishing children, business and self-help genres, in physical, digital or hybrid publishing options.

PRINT

Our offset print business has shown improved results compared to last year despite the various disruptive lockdowns in Malaysia which limited daily production capacity. In contrast,

the recovery of the out-of-home printing business was sapped by the frequent heightened alert measures in Singapore, which caused uncertainty amongst its customers in committing on-site mega advertising and promotional activities.

To combat revenue shortfall, we have diversified our capability to produce sustainable print packaging, such as paper pouches, folding cartons, biodegradable paper bags, point-of-sale materials, as well as other 100% compostable food packaging solutions. This new strategic direction, which is aligned with global efforts to develop environmentally friendly products, will add a new revenue stream to Print division. We expect the production of sustainable print packaging business to start in 2022.

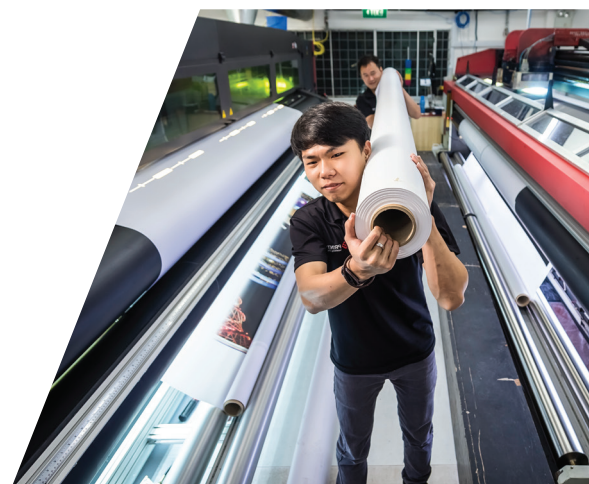
Additionally, Print has expanded its services to include in-house advertising, digital and social media marketing and video production. Our technological capability was given a further boost by the addition of the only 27-metre magnetic seaming machine in Singapore. This machine can print seamless banner joints that are nearly invisible to the naked eye. In line with our sustainability efforts, Print will take the lead in offering PVC-free 100% biodegradable large format materials for banners, billboards and stickers.

RETAIL AND DISTRIBUTION

Retail continued to be impacted by challenging conditions as the resurgence of COVID-19 variants in Singapore and Malaysia. Travel restrictions worsened the situation, and sales fell, especially for stores like The Times Junior and Kaboom in Changi Airport that are highly dependent on tourists and travellers.

While sales from physical stores were down, sales from our online store, GoGuru, and online marketplaces grew steadily. We have increased our online presence by setting up brand flagship stores on online marketplaces for Times Junior and Marshall Cavendish. In May 2021, Times Bookstores Malaysia launched its official store on third-party e-commerce platforms, Shopee and Lazada. These initiatives correspond to the shift in consumer purchasing behaviour during the pandemic, which saw a reduction in retail footfall.

Our book distribution business was resilient. We added new publishers to our portfolio, strengthening our market leadership in book distribution. We were also appointed the exclusive distributor by Harvard Business Review, Plata and Harper Collins Group. With the appointment by Harper Collins, we are now the distributor of the world's top four English language publishers. Similar to the other P&P divisions, book distribution has also made inroads into e-commerce. Book distribution through online channels has grown by almost 130% compared to last year, making the online channel one of our most promising growth channels. Online book





Publishing & Printing



EDUCATION PUBLISHING

expanded its digital footprint and introduced its content to new markets



PRINT

expanded into sustainable and environmentally friendly print products and solutions



Increased our ONLINE PRESENCE

with TIMES JUNIOR and MARSHALL CAVENDISH brand flagship stores



GROWTH

in Book Distribution with new publishers and further inroads into online channels

revenue now contributes about 10% of total book distribution sales.

This year, we have exited the magazine distribution business in Malaysia and Singapore. Instead, we pivoted our distribution resources to focus on stationery, gifts and office supplies, essentially utilising the same infrastructure with minimal new investment.

As a way of giving back to the community, we organised several corporate social responsibility activities last year. Print donated used computers and laptops to the Salvation Army and

halfway homes for needy children.

To ensure students of all backgrounds had a chance to experience digital learning, MCE worked with F&N Group to sponsor 40 beneficiaries from the non-profit charitable organisation Touch Young Arrows to attend the Coding, Mobile App Development and Python Programming Workshops. It also provided free access to MCEduHub for Primary and Secondary school students during the June School Holidays as they returned to home-based learning in Singapore. In another initiative supported by our business partner, MCE designed a set of free Chinese home-based learning activity sheets for pre-schoolers, which

was featured in the Speak Mandarin Campaign, SEED Institute and Parents College Singapore Facebook Pages.

MCE also collaborated with Literatu utilising Scribo, an AI based learning application, and the local English Language Teaching Associations in Malaysia and Pakistan to organise an English writing competition for students and teachers. This competition allowed participants to experience the use of Artificial Intelligence in redefining the way they conduct or submit their writing assignments. The competition attracted an overwhelming 300 participating schools in Malaysia and Pakistan.